The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

IN THIS ISSUE

Preparing for the "Battle of Geneva"

Watch Out for Bandits---Plot to Estrange U. S.-China!

American Presbyterian Missionary Shot Dead in Manchuria

Drives Against Communists Intensified All Over China

Japan's Record Budget of More Than Two Billion Yen

Full Text of Lytton Commission of Enquiry's Report

Will Japan Triumph Over Russia and America?

Has U. S. Under Hoover Become World Leader?

Economic Blockade Preys on the Mind of Japan

Current Political Thoughts of the Overseas Chinese in Java

Malayan Immigration Law and the Malayan Chinese . . . . . By K. K. Huang

The "Outside Roads" Controversy in Shanghai . . . . . By C. Y. W. Meng

Japanese Propaganda, Journalism, and History . . . . . By Harry Paxton Howard

Szechuen---The Hotbed of Civil Wars . . By Paul K. Whang

Social Piety: A Challenge to the Christian School . . . . . By T. F. Tung

Far Eastern World War in Ferment . By Sheng Hsueh-chuan

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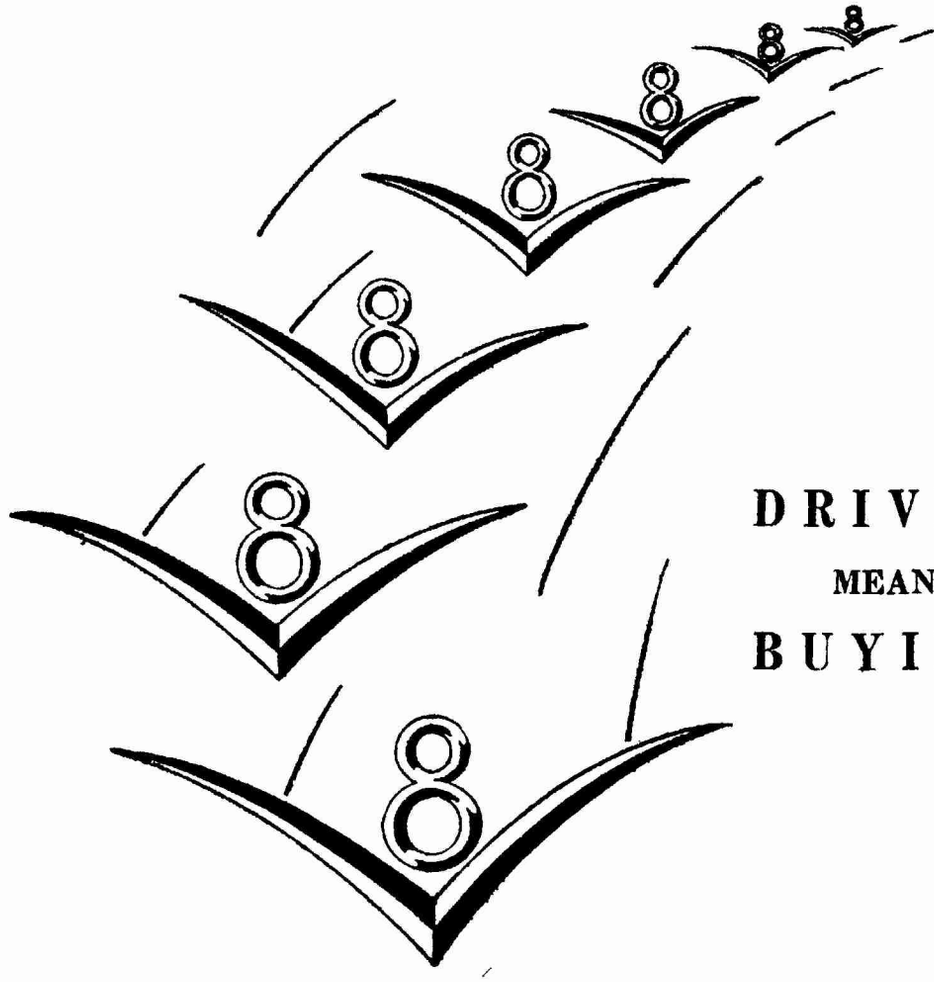

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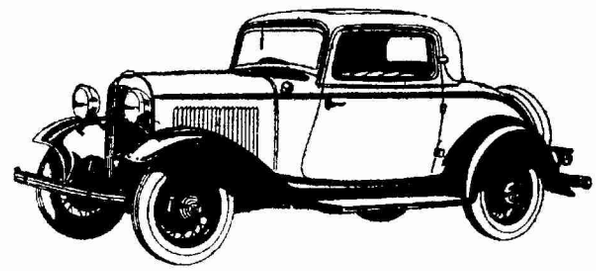

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Registered at the Chinese Post Office as a newspaper for transmission with special marks privilege in China.

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Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 62 | Shanghai, China, Saturday, October 22, 1932 | Number 8

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 38 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; HOH CHIH-HSIANG, Asst. Editor; TRYPHON KU, Advertising Dept.; F. K. CHAO, Business Dept.

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

Japan's Record Budget of More Than Two Billion Yen 315
Watch Out for Bandits--Plot to Estrange U. S.-China! 316
American Presbyterian Missionary Shot Dead in Manchuria 316
Preparing for the "Battle of Geneva" 318
Drives Against Communists Intensified All Over China 323

Special Articles

Has U. S. Under Hoover Become World Leader? 325
Far Eastern World War in Ferment ... By Shen Hsueh-chuan 325
Current Political Thoughts of the Overseas Chinese in Java 327
Malayan Immigration Law and the Malayan Chinese ... By K. K. Huang 331
Will Japan Triumph Over Russia and America? 333
The "Outside Roads" Controversy in Shanghai ... By C. Y. W. Meng 334
Economic Blockade Preys on the Mind of Japan 335
Japanese Propaganda, Journalism, and History ... By Harry Paxton Howard 338
Social Piety: A Challenge to the Christian School ... By T. F. Tung 342
Szechuen—The Hotbed of Civil Wars ... By Paul K. Whang 344
Full Text of Lytton Commission of Enquiry's Report 346
Who's Who in China 353
Men and Events 354
New Books of Interest in the Far East 355

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS" COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

JAPAN'S RECORD BUDGET OF MORE THAN TWO BILLION YEN

As already mentioned in these columns on several occasions, Japan's budget for the current fiscal year will be around the two billion yen mark. Preliminary budget figures submitted by the various Ministries in Japan are reported to total the huge sum of Yen 2,400,000,000, which is roughly Yen 600,000,000 more than for the year 1928-29, which up until the present was the heaviest budget in Japanese history. It is nearly Yen 800,000,000 more than the average budget for the past decade. Advices from Tokyo indicate that Finance Minister Takahashi will insist on drastic reductions in these figures and in doing so he will probably be forced out of office, as it is the general belief in Tokyo that the margin between what the Finance Ministry is prepared to sanction as the maximum expenditure and what the various departments will insist on as the minimum to cover requirements will cause a clash.

As a result of the heavy cost of operations in Manchuria and due to the "replacement" programs of both the Army and Navy, the military and naval expenditure asked for is said to amount to over a billion yen. Mr. Takahashi strenuously opposes increased taxation. In a recent message from Tokyo, *Reuter* stated that Mr. Takahashi, who had reversed Mr. Inouye's policy of economy and no loans, could hardly be expected to approve the flotation of such an immense amount of bonds as would be required to fill the gap between the total estimated expenditure and the estimated revenue of a little over Yen 1,300,000,000. General Araki is said to be urging large increases in the inheritance and income taxes to raise the necessary funds. A head-on collision between the Army and Mr. Takahashi's supporters is expected to develop over the question of the army budget. In such an event the Army will likely be successful. If General Araki wins, Mr. Takahashi may be forced to resign and carry the cabinet with him, thus precipitating a crisis even more serious than that which followed the assassination of Mr. Inukai.

The only kind of increased taxation that Finance Minister Takahashi is willing to sanction is that of a possible tax on luxuries. He stated in a recent interview in the *Tokyo Asahi* that such a tax might have the effect of incul-

cating steady habits into the public mind. The revenue to be derived from this source would not, however, amount to much. An increase in the price of tobacco, if it is to be made at all, must be after the relief measures of the Government have produced good effects, he said. The idea of raising post-card postage from the present 1.5 sen to 2 sen was not altogether bad, but the increased revenue from this source would be only something like Yen 7,000,000 or Yen 8,000,000, he said. In short, the Finance Minister said it is his confirmed view that in compiling the new Budget, loan issues are the only alternative available for meeting the budgetary deficft. A *Rengo* telegram from Tokyo, October 14 stated that the Bank of Japan is expected to carry out further reduction in the rate of interest for the fourth time within this year. Economic observers in Japan predict that lower interest rates for money than at present will be necessitated because the Government will have to issue a huge sum of loans within the current year, the total amount of which will be more than six hundred million yen within this year.

An outstanding item in the Finance Department's estimate is the loss in currency exchange. This item is estimated at Yen 80,000,000. As mentioned in these columns previously, new items of expenditure will amount to a billion yen or more. In past years the new items of expenditure have never been more than Yen 300,000,000.

The Japanese Department of Overseas Affairs has earmarked the minimum sum of Yen 1,000,000 in the budget for the proposed immigration of Japanese into Manchuria and Mongolia, next year.

Drastic cuts in the 1933 budget were suggested by C. Mitsuchi, Minister of Railways, in an interview at Tokyo last week. It was pointed out by the Minister of Railways that a continuance of this situation for another three years would increase the public debt of Japan to more than Yen 10,000,000,000, in which case the whole of the country's revenue would be required for interest on the debt and provisions for its retirement.

The Famine in Hokkaido, Japan

Mr. Goto, Minister of Agriculture and Forestry, after finishing his personal inspection of the state of famine in Hokkaido in a recent interview, expressed surprise at the famine disaster, which he found worse than he had imagined. The whole island is in the grip of famine. There has been a combination of unfavorable factors this year, such as floods, the lack of sunshine, low temperature, and blight. This famine coming on top of the failure of the crops last year makes the lot of the farmers all the more miserable. As in many cases there is a shortage of daily food, it is no wonder, he said, that there should be social unrest. The Japanese Emperor has contributed Yen 80,000 to the Hokkaido relief fund.

England Terminates Trade Pact with Soviets

The abrogation of the Anglo-Russian Commercial Treaty was announced by the British Secretary of State for the Dominions, J. H. Thomas, on the re-assembly of Parliament in London October 18. Mr. Thomas explained that the necessity to denounce the treaty arose from the Ottawa Conference, the government recognizing the importance of maintaining the effectiveness of the Ottawa preferences against the action of any foreign government likely to stultify those preferences.

WATCH OUT FOR BANDITS---PLOT TO ESTRANGE U. S.-CHINA!

A SHANGHAI foreign resident who knows or claims to know everything about international intrigue in this part of the world is responsible for the report that a kidnapping exploit is being formulated with Americans as the victims, the object being to bring about an estrangement in the relations of America and China. Details regarding the incident are somewhat hazy but it seems the kidnapping is to take place somewhere within 100 miles of Shanghai and if possible the victim or victims are to be "prominent" so as to make the affair a first-class news sensation. The foregoing information was given to *The Review* in "strictest confidence," hence we are mentioning no names, and obviously not even the name of our informant. The perpetrators of the kidnapping stunt allegedly are members of one of the numerous Shanghai gangster organizations who are to be well paid for their services. We print the foregoing in the hope that our readers, particularly those who consider themselves "prominent," will take due heed and precautions and not tell us later on that they were not properly warned!

AMERICAN PRESBYTERIAN MISSIONARY SHOT DEAD IN MANCHURIA

THE outstanding event of the Manchurian situation during the week was that the Japanese military authorities had dispatched an ultimatum (Oct. 17) to General Su Ping-wen, leader of the anti-Manchukuo forces in northwest Manchuria, who has been holding hundreds of Japanese subjects as captives at various points along the western branch of the Chinese Eastern Railway. The ultimatum was somewhat cryptically worded, but the gist of it was that if General Su was willing to settle present troubles amicably in cooperation with the Japanese military authorities, the latter would use their good offices for "restoring his honor," otherwise they (the Japanese authorities) would be obliged to resort to force of arms. In view of the fact that the Japanese have been resorting to force of arms for more than a year in Manchuria, the ultimatum is probably a hint to General Su that the Japanese will make it worth his while if he will desert the anti-Manchukuo forces and in future support the Manchukuo government. A report by *Rengo* from Mukden on Oct. 19 alleged that Gen. Su Ping-wen had telegraphed to Gen. Muto, commander-in-chief of the Japanese forces accepting the Japanese peace proposal and asking Gen. Muto to send a representative to Hailar.

***

Although not directly connected with the present military operations, another event which may have far-reaching consequences is the death of an American Presbyterian missionary, the Reverend Lloyd Henderson, whose home in America is in Seattle. The deceased missionary was 38 years of age. His wife and two children are at present in Pingyang, Korea. The circumstances of his death have so far not been definitely ascertained. The first reports from Japanese sources stated that the "victim of the bandits

near Mukden" had not been identified, later it was hinted that he was a Roman Catholic priest, and still later his name was divulged as above given. The Japanese reports stated that the deceased was shot by bandits who attacked the escort of eleven Japanese soldiers who were accompanying Reverend Henderson and his party, there being besides himself four Americans and four Koreans. On the other hand an official statement by the Peiping office of General Tang Chu-wu, commander-in-chief of the Chinese volunteers in Eastern Liaoning and chairman of the provisional Liaoning Provincial Government, avers that, after having obtained a military warrant to pass into the defense line of the Chinese volunteers, Rev. Henderson started out without the permission of the Japanese commander for the headquarters of the Chinese volunteers located some distance south of Mulantien to interview General Tang Chu-wu. He was thereupon shot by Japanese soldiers before reaching his destination.

The report issued by the Japanese Kwantung Army headquarters stated that as bandits in the vicinity of Mulantien were freely plundering at Shangchiacho, the Japanese defence detachment at Mulantien on that date made its way towards said town, meeting the American refugee and his party near there. Advising the party to leave as quickly as possible, the Japanese detachment hired three pony carriages as means of transport for the party, which left the same night for Mulantien, under Japanese military escort. When passing a point two miles north of Shangchiaoho, the party was suddenly attacked by bandit fire. A bullet from the bandits went through Reverend Henderson's head. The Japanese escorts thereupon returned fire and repulsed the bandits, the party continuing the journey and returning to Mulantien with the dead body of the American. The Japanese account terminated with the statement that Rev. Henderson's remains were cremated at the request of the other Americans in the party.

***

Reports in the Chinese press at Peiping indicate renewed tension on the Jehol-Manchukuo border. They quote a Jehol official, who is at present visiting the former capited as saying that the Japanese are making active preparations for the invasion of that province now that the kaoliang has been cut. In addition to sending planes to scout over Chinese defence positions in various parts of Jehol, the Japanese are reported to have dispatched Chinese spies to Chengteh and other districts to gather military information. One of the spies has been captured by the Chinese authorities. According to a report from Brigadier-General Tung Fu-ting, the Japanese troops stationed at Chinchow recently advanced on Yihsien along the Chinchow-Chaoyang Railway. They closed all the city gates of Yihsien except the West City Gate and erected defence works in the suburbs. Commander Tung says that this indicates that the Japanese are determined to make preparations for an armed invasion of Jehol. An airdrome is reported to have been erected in the west suburb of Yihsien.

That military operations in the Jehol region are imminent may be inferred from the fact that General Tang Yu-lin, Chairman of the Jehol Provincial Government, recently issued orders to the various military officers and civil officials in the province forbidding them to leave their posts "without permission."

The Japanese have concentrated a large force at Chinchow where defences have been erected. One Japanese brigade has been stationed on the Chinchow-Ihsien section of the Chinchow-Chaoyang branch railway while four armored trains are patrolling along the Line. Three Japanese airplanes scouted over Nanling, and dropped five bombs over the station October 14.

The Heilungkiang Volunteers under General Li Hai-ching at last reports still occupied the Angangchi-Mankou section of the Chinese Eastern Railway and Antachen (station). They had also captured all strategic points on the eastern bank of the Nonni River. Communications between Harbin and Tsitsihar continue severed. General Li's units were reported to have established contact with the Heilungkiang National Salvation Army under General Su Ping-wen.

The fighting at Fularchi, according to a Chinese message, continues with the Japanese suffering heavy casualties. The Japanese artillery, however, destroyed a number of dwellings and many persons have been rendered homeless in said city. Lieut.-General Tamon's troops having sustained heavy losses, the Japanese despatched two additional divisions from Korea to Heilungkiang as reinforcements.

General Ma Chan-shan, Chairman of the Heilungkiang Provincial Government, at last reports was at Chincheng. 3,000 Heilungkiang units under General Tsai Hung-yu have been sent to attack the Japanese at Lintien, south-east of Tsitsihar, and effect junction with the Volunteers under General Li Hai-ching in Anta district. The main force of the Heilungkiang troops has been concentrating along the Tsitsihar-Keshan Railway.

***

General Su Ping-wen has despatched a cablegram to the league of Nations reporting on the destruction of international communications by the Japanese. Ever since the forcible occupation of Manchuria by the Japanese militarists, General Su states, every flourising district has been invaded. Speaking of Heilungkiang alone, he says that after the battle at the Nonni River (against General Ma Chan-shan), the Japanese concentrated their entire force in eastern Heilungkiang where they indulged in an orgy of looting and massacre among the inhabitants. Not content with disrupting traffic on the Harbin-Suifenho and the Harbin-Changchun sections of the Chinese Eastern Railway, the Japanese recently employed their forces in oppressing the Railway guards of the Harbin-Manchuli section of the Line. Six Japanese airplanes were sent on October 7 and 9 to destroy the iron bridge at Fularchi and kill the railway staff members. Under cover of four field-guns, 1,000 Japanese infantry and cavalry units were also despatched to attack the Heilungkiang troops at Fularchi.

***

Much interest is being taken in the movements of Marshal Feng Yu-hsiang since his arrival at Kalgan October 16. The Peiping *Ta Tung*

Pao recently printed an interview with him in which he stated that his past deeds were all actuated by the single motive of doing away with those leaders who had been tried and found wanting. Marshal Feng went on to say that hitherto he had always believed that if he could remove bad men from high places, good men would come as a matter of course. He now realized this mistake, for past experience had shown him that after one bad government was turned out, another bad government would be established. The mistake he had made lay in the fact that he had not paid sufficient attention to the introduction of good government. He added that because of his own humble origin he was able to appreciate the great sufferings which millions of people in China were going through.

Preparing for the "Battle of Geneva"

ONE of the best indications of Japan's realization of the seriousness of her position on the Manchurian issue, considered from an international standpoint, was the action of the Tokyo cabinet on Oct. 7 in agreeing to the establishment of a so-called high diplomatic commission for the investigation of the fundamental principles of diplomatic policy. Shortly following the military intervention in Manchuria in September, 1931, a similar proposal was made but was turned down by the military general staff on the ground that such a commission was unnecessary. Now however, the appointment of such a commission is considered necessary and the Emperor's sanction for the move has been requested. Nothing was stated regarding military representation on the commission but the chairman will be a high diplomatic official. A further indication of a realization in high places of the seriousness of the situation was evidenced in the decision of the Seiyukai or ruling party to send its own representatives to Geneva in November. One wonders whether these various moves do not indicate a growing conviction in civilian circles in Japan that continued complete military domination is likely to result in a major disaster for the Empire. Recently when Mr. Debuchi, Ambassador to Washington was recalled to Tokyo, it was stated that a man of stronger personality and convictions would be sent to the American capital. Now, however, it is announced that Mr. Debuchi will be sent back to Washington, but prior to his departure he will make a tour of investigation in Manchuria. Other recent Japanese moves which may or may not have significance were the dispatch of Tokuzo Komai to Peiping and K. K. Kawakami to Shanghai. Tokuzo Komai who holds the post of counsellor to the Manchukuo government at Changchun, is credited with being the prime mover in the creation of the "puppet" state. His trip to Peiping has been responsible for much speculation, some claiming his purpose is to establish connection with certain members of the old Anfu clique who might be favorable to an extension of Manchukuo (or Manchu) influence south of the Great Wall, while others allege his real purpose may be to attempt a reconciliation with Marshal Chang Hsueh-liang. As for Mr. Kawakami, he has for years been Japan's outstanding propagandist in America, his latest effort being the book. "Japan Speaks," which had wide circulation in the United States. Mr. Kawakami's purpose in investigating the status of public opinion at Shanghai is not known but undoubtedly has some intimate connection with Japan's preparations for the Geneva battle.

***

H. G. W. Woodhead, former editor of the *Peking and Tientsin Times* and now a columnist on the *Shanghai Evening Post* has gone to Manchukuo. According to popular report in newspaper circles in Shanghai this British "die-hard" journalist who advocated armed intervention in China, was invited to Changchun by his "old friend," Henry Pu-Yi the last of the Manchu line who is now "chief executive" of the puppet state. In his first article which appeared in the *Evening Post* on Oct. 13, Mr. Woodhead stated that he was met at the railway station upon his arrival at Changchun by officials of the Manchuko foreign office who informed him he would be "received" by Pu-Yi at 10:30 the next morning. Continuing, Mr. Woodhead stated, "the former emperor greeted me with obvious pleasure, and had scarcely invited me to be seated before he remarked that on one of the last occasions on which I had seen him, in October, 1930, at a private lunch in Tientsin, I had remarked that perhaps next time we met he might not be so accessible..." However, Mr. Woodhead apparently was not interrupted on the present occasion for we have his word for it that "not even a Japanese interpreter was present." After inquiring about the health of the "Empress" and being assured she was not ailing, Woodhead proceeded to recount again the old story which he frequently used in the *Peking and Tientsin Times*, about how badly the Chinese republicans had treated the last of the Manchus; how they had driven him from the palace in Peiping to the Japanese concession at Tientsin; how they had cut off his financial support; and finally how Pu-Yi had gone to Manchuria of his own free will and accord without the assistance of the Japanese. The general tone of Woodhead's succeeding articles indicates that he is much happier hobnobbing with Manchu royalty and their satellites than he has been at Shanghai in the midst of Kuomintang intrigue and turmoil. It wouldn't be at all surprising if Woodhead's articles on Mr. Pu-Yi's puppet state and the Manchukuo "paradise" in general are reprinted in pamphlet form for distribution to the far ends of the world including several dozens for the use of those who may gather at Geneva next month.

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Of direct interest in connection with Woodhead's laudatory remarks about Pu-Yi and his derogatory remarks about the way the Chinese have treated the Manchus, was a report from Tokyo stating that Ting Shih-yuan, personal representative of Pu-Yi, had declared in the course of an interview in the Japanese newspapers that three provinces of north China might rebel against the National Government at Nanking and join Manchuko. Ting Shih-yuan, who

is a member of the old Anfu clique which ruled in Peking for several months during the course of the World War and which received some $350,000,000 in Japanese loans, claimed that representatives of Shantung, Hupeh and Shansi had arrived in Changchun and had informed officials of the puppet state that other provinces of north China were prepared to rebel against the National Government and cooperate in a plan to restore the Dragon Throne. The first step in the campaign was to be a Japanese military drive into Jehol province which is supposed to eventuate either late this year or early next spring, stated the report. Finally it was declared that a restoration of the Manchu monarchy was the only way to combat communism and restore unity and stability in China, in which connection the statement appeared that the formation of Manchukuo and its recognition by Japan "were merely preliminary steps to the restoration of the Manchu monarchy." On many occasions recently there have been references in the Japanese press to a "separatist" movement in north China. If such a movement could be precipitated prior to or during the meeting of the League Assembly in November it naturally would be of great assistance to the Japanese who have maintained that the Manchukuo movement represents the "spontaneous desires of 30,000,000 people."

***

A correspondent, recently arrived in Peiping from America, has written *The Review* a letter containing the following paragraph: "One would think this place (Peiping) was already a vassal of Japan. There are sham battles, rifle practice, machine-guns going all day and night, all by the Japanese troops stationed here in the Legation Quarter. I understand they are simply waiting for some "overt" act or similar happening on the Chinese side to provoke them into a military movement for the 'protection of Japanese nationals,' or the foreigners here from something, or any other excuse to take over the city. I have seen the Japanese having their gun practices on the Legation glacis on several occasions and one hears their machine-guns at all times day and night. Of course they could send their "ronins" here to make trouble as they did at Shanghai last January and as they have done at other places in China. Can one imagine even the 'brave and progressive' Japanese troops doing such a thing in any other foreign country, say in New York, or St. Louis or San Francisco—marching troops up and down, sending them in trucks about the city, armed heavily and holding daily gun practices in our open fields and public parks, and nothing being done about it by our government? Believe me it's a high crime the way the Chinese in Nanking and Canton and elsewhere will not get together for their country's good. Their division simply plays into the hands of the Japanese and all others who wish the partitioning of the country among the Powers...."

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The action of the League Council in inviting the members of the Lytton Commission to attend the forthcoming deliberations on the Commission's report at Geneva has aroused a quick response in Tokyo. A *Reuter* report from the Japanese capital on last Monday declared that the members of the Commission will serve as "observers" only and will speak only when questioned about the report. Said the *Reuter* report, "The members will strictly abstain from speaking positively and no member will be the spokesman of his government's policy.... if any of the Commission act in contradiction to this procedure, Japan will protest to the League." Lord Lytton, chairman of the Commission, who is now back in England has delivered several addresses dealing with the work of the Commission in the Far East. In one address he declared, "The difficulties still are great, but I am confident the experience the League has acquired in the last twelve years will enable it to deal with those difficulties." Of considerable interest in connection with the forthcoming League consideration of the Manchurian issue was a *Reuter* report from Geneva on Oct. 14 stating that Turkey had been appointed to the Committee of Nineteen in place of Jugoslavia and that Mexico had been appointed in place of Peru. The Executive Committee of the British League of Nations Union on Oct. 6 issued the following statement. "Noting that the recent speech of Colonel Stimson, Secretary of State, lays down that the Kellogg-Briand Pact, if it has as its sanction 'the combined weight of the opinion of the whole world,' necessarily implies consultation among its signatories as incident to unification of that opinion, we warmly welcome the acceptance by the American Secretary of State of that principle as a step towards relieving members of the League of their previous anxiety regarding the attitude which the United States might take towards any collective action by the League for the prevention of war and towards that unification of world opinion which would exert against a treaty-breaker a compulsion more authoritative than any resort by any particular power to armed force." Also of interest in connection with the forthcoming "battle of Geneva" was a report from Nanking stating that Dr. V. K. Wellington Koo has been appointed Chinese delegate to the League Council in place of Dr. W. W. Yen who will act exclusively as China's chief delegate at the forthcoming meeting of the League Assembly where the Manchurian issue is to be discussed. In the meantime, Dr. Sao-ke Alfred Sze who represented China at the original League meeting in the fall of 1931, has gone to the United States where he will serve as China's Acting Minister during the absence of Dr. W. W. Yen at Geneva. Dr. Yen will be assisted at Geneva by Dr. Koo and Quo Tai-chi.

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While the foregoing moves are taking place with respect to League developments the plot continues to thicken in Manchuria where Gen. Muto is beginning an extensive military campaign which has as its objective the complete re-conquest of the three northeastern provinces as well as the conquest of Jehol in addition. Most interesting and significant and puzzling is the situation to the west of Harbin where Gen. Su Ping-wen has declared his independence of Manchukuo and the Japanese and has unfurled the National Kuomintang banner. Since this extensive territory now held by Gen. Su em-

braces the so-called Barga District, it naturally brings further complications between Japan and the Soviets because the Barga area is geographically a part of Outer Mongolia which is now controlled by the U. S. S. R. Within this area reside the Barga Mongols, most progressive members of the Mongolian tribes, hence there is evidence in the present movement that the Mongols are siding with China rather than Japan. However, the Japanese allege that there is connivance on the part of the Soviets in the activities of Gen. Su Ping-wen, one of the Japanese newspapers in Harbin declaring that Gen. Su's men are armed with machine-guns imported from Russia. On Oct. 15 the Japanese military at Harbin sent three army planes to Hailar, capital of the Barga District and for an hour and a half rained bombs on that city. The official Japanese military report claimed the object of the raid was to destroy a Japanese bombing-plane which Gen. Su's forces had seized when they rebelled against Manchukuo. Several days ago the spokesman of the Japanese Legation in China announced to foreign newspapermen that the Soviet Government had withdrawn its objection to Japanese troop movements adjacent to the Soviet border where between 200,000 and 300,000 Soviet troops are stationed. Several months ago when the Japanese first started their conquest of North Manchuria, the Japanese apparently entered into a private understanding with the Russians whereby the Japanese agreed not to send their troops directly to the border. Now it appears this restriction has been removed hence the Japanese are making plans to send their forces directly to the border. A further report has been in circulation to the effect that Gen. Su Ping-wen is contemplating the creation of another "independent" state in Manchuria and may seek the assistance of the U. S. S. R.

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Thus far the Soviet Government has issued no official statement of its views regarding the report of the Lytton Commission, but Karl Radek, noted Soviet journalist writing in the official *Izvestia*, organ of the Moscow government, charged the League Commission ignored the role of imperialist rivalries in the Far Eastern conflict and particularly avoided any reference to American-Japanese controversies over Manchuria. He also charged that imperialism is the "foster-father" of chaos in China and declared that the Lytton report proposed a compromise between Japanese imperialism and its world rivals by suggesting that Manchuria be made a joint colony of Japanese and international imperialism instead of an exclusive Japanese colony in China. In reference particularly to Soviet interests in Manchuria, Mr. Radek said, "There can be no doubt that the role of the U. S. S. R. in the Far East is a tremendous one and that it will continue to grow in importance. The U. S. S. R. has not taken a single step which would give anyone the right to speak of any Soviet military designs whatever in relation to Japan or any other country. The Soviet Union does not conduct an imperialist policy. It makes no attempts on Japanese territory and is not even a competitor of Japan in Manchuria....The Soviet Union received from Tzarism a heritage in the Chinese Eastern Railway which was built with money taken from the masses. This railway is not in Soviet territory. It passes through North Manchuria. But while the Soviet Union has no reason for making a present of the line to anyone, it has done everything possible to deprive the railway of its imperialist features." Referring again to the Lytton report, Radek charged that an attempt was being made to "draw the U. S. S. R. into a front of struggle against Japan," and also charged that the Report in effect "asks the Kuomintang to agree to international control," in order to obtain assistance for Gen. Chiang Kai-shek's drive against the Chinese soviet districts. In conclusion he declared that negotiations are now proceeding behind the scenes between the United States, France and Great Britain for a united front against Japan and stated his conviction that the general effect of the report is to "mobilize world opinion against Japan and reinforce the anti-Japanese position of the United States."

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Of further interest in connection with Soviet reactions on the Manchurian issue were reports issued by the official *Tass* news agency on Oct. 16 and 17 regarding the attempts of the Soviet Government to negotiate a pact of non-aggression with Rumania. Previous mention has been made in these columns of non-aggression pacts which the Soviet Union has made with Finland, Latvia, Poland and Estonia, thus leaving Rumania as the only border state which has refused agreement to a similar treaty. Maxim Litvinov, commissar for foreign affairs at Moscow on Oct. 16 charged the Rumanians with obstructive tactics, while the official *Izvestia* on the following day declared, "The Rumanians will now have to give an exact and unambiguous reply to the question as to whether they desire a non-aggression pact with the U. S. S. R..... or whether they wish to aid those elements in international policy who see in Rumania the country most fitted for disrupting the cause of peace." The bearing of this subject on Russo-Japanese relations in the Far East is obvious because without non-aggression pacts with border states on the European side, Russia would be exposed to simultaneous attacks on both east and west in the event of trouble with Japan. The existence of this situation has spurred Russia to the negotiation of peace-treaties with her European neighbors, most of whom are under French influence. In reference to this phase, the *Izvestia* declared, "At a time of gravest intensification of the situation in the Far East, the Soviet Government has not for a single moment lost its presence of mind. It has conducted its peaceful policy with such iron calmness that even the most rabid military elements have been forced, at least for the time being, to abandon their light-minded play with the cause of peace." Sometime ago when Japan urged Russia to recognize the Manchukuo puppet state, the Russians countered with a proposal that both Japan and Manchukuo sign a pact of non-agression with the U. S. S. R. The Japanese general staff refused to consider the proposal, but a *Reuter* dispatch from Tokyo on Oct. 18 stated the question had become prominent again due to the arrival in Tokyo of Hsieh Chieh-shih, foreign

minister of Manhukcuo, who was trying to pave the way for Moscow's recognition of Manchukuo. Japan's complications with America and the League have had the effect of forcing her to attempt an adjustment with Russia hence the old question of a Russo-Japanese compromise—at the expense of China—is again prominent.

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A somewhat different story of Russian reactions in regard to peace, is told by spokesmen of Japan, notably George Bronson Rea, who recently was employed as propaganda agent and adviser by Manchukuo. In a column-long interview which was syndicated by the *North American Newspaper Alliance* from New York on Sept. 24 Rea declared that war between Japan and Russia "is inevitable and may come sooner than is supposed." In this connection this spokesman of Japan declared that Russia is making feverish preparations. He declared that Japan is not blind to the fact that Russia is building steel mills, railroads and opening mines in Siberia. He stated that one 1,250,000-ton mill is being constructed by a Chicago concern at Kutnetz, in the Atlai Mountains, in the strategic center of Central Asia. Another 2,500,000-ton mill is being built by a Cleveland concern in the Ural Mountains in Asiatic Russia. Japan, knowing that any steel mill can be turned into a munitions plant, is reported to be apprehensive over these activities. Mr. Rea admitted, however, that Russia "does not want war now because it would interfere with the completion of the Five Year Plan....which explains why Russia has made no stronger protest in regard to Manchuria. Russia has a Red army in the Far East, but this is not believed to be a force of more than 200,000 at the maximum. In Northern Mongolia there is supposed to be a Mongolian army trained by Russia, in the Mongol Soviet Republic of which the capital is Urga; but this territory is closed to foreigners and little news can be gained from it. Japan feels that in a few years Russia will be in a very strong position and is disinclined to wait passively for that time to arrive." In conclusion Rea alleged there are 2,000,000 bandits and communists in China, the communists being led by young Chinese who were trained in Moscow. Because of Soviet intentions in Manchuria and communistic developments in China proper, "The Japanese will not get out of Manchuria. Should the League of Nations make any concerted attempt to drive them out, they will merely consolidate their position and withdraw from the League. When they consider that their national safety is at stake, they are ready to defy the world."

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In view of Soviet allegations on the score of a possible war between Japan and the United States and the constant declarations of Japanese military men to the same effect, it is of interest to consider briefly some recent American reactions. Dr. Willis J. Abbott, venerable member of the editorial board of the *Christian Science Monitor*, who is a member of so many peace societies that it would require most of this column to list them, and who has had much journalistic experience since he enrolled as a freshman at Michigan University fifty-one years ago, recently declared that Manchuria is worth fighting for to Japan. But in the same paragraph he inquired, "Is Manchuria worth fighting for to the United States?" In answering the question, Dr. Abbott repeated the alleged advice which the late Theodore Roosevelt gave his successor, President Taft, that the United States would require a fleet as good as that of England and an army as good as that of Germany—pre-war Germany of course! After arguing that what Japan has done in Manchuria is the affair of Japan and China exclusively—and would have been settled long ago if the United States and the League had not butted in—Dr. Abbott concluded his dissertation by declaring that Manchuria is almost a necessity to the national existence of Japan and that America should stay out of the mess. Particularly was Dr. Abbott amazed at the bellicose public sentiment which has been aroused in the United States over the Manchurian issue and expressed apprehension that the hot-heads might be able to influence governmental policy in favor of war with Japan over the violation of the Kellogg Pact and other international treaties.

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While Dr. Abbott ignored the whole matter of Japan's violation of international treaties and China's possible reactions to the seizure of her territory by her warlike neighbor, this phase of the question has received more attention by other influential journals in both the United States and Canada. Says the *Vancouver Sun*,

> Japan, by conquering Manchuria and then setting up the puppet state of Manchukuo to hold that conquest, has challenged the whole civilized world.
>
> And the Western World will invite war if it does not forthwith drop all talk and trade with Japan, until Japan drops its defiance of world peace.
>
> The world of tomorrow will be run either by conquest or by covenants, by agreements or by armaments.
>
> Japan's open defiance on the Manchurian question is equal to Japan thumbing her nose at all the powers who signed the Nine-Power treaty, and at the League itself of which Japan is a member. It is just like Germany treating as a scrap of paper the treaty regarding Belgium. . . . This is the war that Japan's present militant attitude is inviting. This is the kind of war which Japan, under the Kellogg and Nine-Power Pacts, ageed to stay away from. Under those treaties, Japan agreed that any nation which refused to have its national differences settled by conciliation, should be compelled to withdraw from trade and intercourse with the rest of the world.
>
> This world today is a vast economic unit, and this machine civilization is like a vast nervous system. And into this unit of peace and trade and civilization, we cannot have an old savage strutting with his primitive impulses that defy all peaceful reason and disregard law and purpose.
>
> The long and short of it is that the world has got to "call" Japan, and the sooner we do it the better for Japan and for our own good.

The *Chicago Tribune*, in an editorial on Sept. 25, referred to the present bellicose attitude of Japan's war-lords and of past efforts on the part of the U. S. Government to avoid a rupture, particularly at the Washington Conference when America agreed to discontinue work on fortifications in the western Pacific from which offensive operations against Japan could have been launched. "This ought to have removed any fear Japan harbored of military aggression on our part," stated the editorial and continued to the following effect,

We have no base from which offensive operations could be carried on against Japan, and our suspension of naval building has permitted the Japanese to overtake us in the categories effective in secondary operations, commerce control and the like. The fuss over any increase we may have made in the air force at Manila is an obvious fiction, so far as military and naval opinion in Japan is concerned, while the concentration of our fleet in the Pacific cannot be rationally interpreted as anything but a defense measure, since, as we have said, offensive operations by us in the eastern Pacific are not now practicable.

If it is replied to these facts that Japanese policy must look to the future as well as to the present, that the United States is capable of building up a naval and military power and when the present treaty ends could proceed to establish bases for offensive operations, some plausibility must be granted to these long range considerations. We must in fairness own also that the recent activities of the secretary of state are occasion for resentment in Japan. But we must also consider that the cultivation of resentment on the part of the Japanese press and authorities does not encourage the belief that Japan really fears a future development of American strength, but rather the suspicion that its masterful military elements are looking for trouble. This, unless we are deceived by recent events, is by no means impossible, and it is a possibility which we ought not to dismiss, considering our present interests in the Pacific and their development, and the policy the recent directors of our foreign affairs and of our defense policy have been following.

For if we are to continue to pursue a course in diplomacy which puts us in opposition to a program which Japan cherishes as of vital concern to her welfare, and at the same time we progressively reduce our ability to support that policy except with appeals to a hypothetical tribunal of world opinion or to the obviously reluctant offices of the league of nations, we are insuring a collision for which we are deliberately refusing to prepare ourselves. It would seem to be more intelligent to bring these phases of our policy into harmony with each other. It is, we think, a case of put up or shut up.

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One of the best analyses of American reactions on the Manchurian issue that we have seen appeared in the Oct. 16 issue of the *The People's Tribune*, Chinese owned journal in the English language which is issued in Shanghai and which is popularly supposed to reflect the views of Dr. Wang Ching-wei, late president of the Executive Yuan. The article was written by the *Tribune's* Washington correspondent, apparently a Chinese, and stated that the policy of the United States in the Far East is a curious mixture of American realism and American idealism. The Open Door and the Washington Treaty are the creation of American realism, while American idealism finds expression in her traditonal friendship for the Chinese people and her well-founded intentions to uphold the anti-war pact. "With this double-edged policy the United States seeks to extend her influence in a manner calculated to protect her interests in China. The desideratum of the new American foreign policy whether in Europe or in Asia is the maintenance of peace.... World peace is based on disarmament and treaty-security and the adjustment of international difficulties by methods of reconciliation and arbitration.

"To this end the United States has called the Washington Conference, advocated disarmament, and, as a gesture of her sincerity, tacitly consented to a new interpretation of the Monroe Doctrine. The Pact of Paris has imposed on her new responsibilities as a keeper of world peace, and Washington has since been gazing to the East and the West for violations of that pact. When the Japanese military machine started rolling into Manchuria considerable suspicion and alarm were aroused. It is difficult to escape from the conclusion that civilization is again put to a test. Besides the menace to her future interests in the Pacific the United States cannot suffer the humiliation of seeing the Pact of Paris treated as another "scrap of paper."

"That the State Department regarded the trouble as of serious character was evidenced by the fact that immediately after the occupation of Mukden by the Japanese, experts on Far Eastern affairs were called in for consultation and assistance. Early in October special representatives were sent to Manchuria to keep the State Department accurately informed as to Japan's doings. These men have since reported personally to the Secretary of State.

"It is an error in Japan and probably among certain groups in China to think that whenever a dispute arises between the two nations the United States can always be counted upon to take China's side. There can be no greater nonsense. The object of American policy is to defeat any international conspiracy by one or more imperialist nations threatening the independence and integrity of China. A united and prosperous China will be the best trading market for western nations. To let China have the "freest and most unembarassed opportunity" for orderly development is to give the United States the best guarantee for her share in that market. Taking a long view, therefore, Washington attaches the heaviest weight to the Nine-Power Treaty, the maintenance of which is vital to American position in the Pacific. The State Department did everything possible to avoid coming into direct conflict with Japan on the question of the latter's violation of the stipulations of that Treaty. Unless vital interests are at stake, no thought is farther from the mind of American diplomats than to take any action which would embitter the relations between the two governments which have not been happy since the Washington Conference. Moreover, in the early days of the trouble, it was generally known that Secretary Stimson had confidence in Baron Shidehara and desired to give the liberal Japanese statesman every benefit of American understanding."

The article then reviewed the intervention of the League of Nations in the Manchurian affair and America's decision to cooperate in the Commission of Inquiry by appointing a high military officer to assist in the investigation, and concluded with the following paragraphs,

"The recent speech which Secretary Stimson delivered before the Council on Foreign Relations constitutes a corner stone on which the edifice of American foreign relations from now on will be built. Whatever conclusions the Report of the Lytton Commission may reach and whatever action the League of Nations may or may not take, so far as the United States is concerned the so-called "Manchukuo" government does not exist. Further actions of the United States will be governed by the doctrine of consultation in the event of renewed hostilities in the Far East, and the doctrine of non-recognition of the fruits of military victories in defiance of the Anti-War Pact in the eventual settlement of the Sino-Japanese dispute concerning China's Three Eastern provinces. These doctrines were strengthened by their incorporation into the platforms of both the Democratic and the Republican Parties. It is reasonable to believe that Asia is no place for the co-existence of the American idea of peace and reconciliation and the Japanese policy of force and conquest.

"Considerable significance is being attached to the speculation regarding unofficial negotiations now in progress between the United States and Soviet Russia with a view of mutual recognition and resumption of diplomatic relations. When this eventuates, it will throw imporant light on the present Far Eastern situation. It is believed in well-informed circles that the United States will request the Soviet Government to lend support to her policy of non-recognition of the existing situation in the Northeastern provinces. In any event recognition of Soviet Russia by the United States

will have the effect of weakening Japanese position in Asia."

The Nation (N. Y.) suggested in an editorial in its Sept. 28 issue that the United States should do four things about Manchuria, (1) Send a strong delegation to Geneva; (2) Declare officially that Japan has violated the Kellogg Pact and the Nine-Power Treaty; (3) Extend recognition to Russia in order to obtain Russia's assistance against Japan; (4) Place an embargo on any foreign loan to Japan or Manchukuo so long as Japan is a violator of its international obligations.

Drives Against Communists Intensified All Over China

WHETHER or not there is any connection between the drive which is being carried on by General Chiang Kai-shek against various prominent officials in Central China, ostensibly on the ground that they are "corrupt" —in connection with which one has have been summarily executed and many others imprisoned —and the intensive drive which is being made by the police of the Foreign Municipality of Shanghai and also by French Concession police, against communists at the request of the local Chinese authorities, the fact stands out that both movements synrchronize. At the same time General Tsai Ting-kai, Commander of the Nineteenth Route Army, has commenced an intensive drive against Communists in western Fukien.

The outstanding feature of the police drive in Shanghai was the arrest on October 15 of Chen Tu-hsiu, a noted scholar and one of the founders of the Chinese Communist Party. His arrest was effected during a series of raids on Communist bases executed with extreme speed. Chen was arrested at a Chinese dwelling house, No. 11 Yung Shing Lee, off Yung Shing Lee, in Yochow Road. Huge quantities of communist literature were seized. Besides Chen nine other suspects were arrested. Chen Tu-hsiu, who is one of the two best known communist leaders in China, his sphere of activity covering principally Southern China, was born at Huaining, Anhui, in 1879. The other communist leader, Li Ta-chao, who looked after the communist work in Northern China, was executed by the Peking authorities several years ago. After graduation from high educational institutions in Anhui and Peking, Chen went to Japan and France to further his education. One of the forerunners of the "Literary Revolution," and editor of *La Jeunesse*, he extended his activities in the literary field, and soon was recognized as one of the most distinguished scholars of the country. He was invited to take up a professorship, and later became the dean of the department of literature of the Peking Government University. In 1924, he was admitted to the Kuomintang, but soon drifted towards Communism. In the following year, he was elected the chief delegate of Chinese Communists to the Third International at Moscow. After his return, he was elected member of the Central Executive Committee of the Kuomintang. Before the separation of the Kuomintang from the Communist Party, he had held important positions with the Government, issuing a joint telegram with Wang Ching-wei, representing the Chinese Communist Party, with Mr. Wang representing the Kuomintang, at Shanghai in 1926. Following his association with the northern Communist leader, Li Ta-chao, and prior to the "purification movement" of the Kuomintang, Chen resided in foreign countries, an exile. His address for the fast few years was unknown, and although there had been recent rumors of his return to China his definite whereabouts in Shanghai was only recently confirmed.

Chen, together with five of his lieutenants and also five other alleged members of the Communist movement in Shanghai were arraigned in the 2nd Branch Kiangsu High Court October 17 and charged with spreading rebel propaganda in China, also with inciting others to overthrow the national government. At the termination of a long hearing late in the afternoon the court decided to grant an application made by a representative of the Public Safety Bureau for the extradition of the prisoners to the Nantao District Court for trial.

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In Fukien where the situation has become more than ordinarily complicated during the past several weeks, General Tsai Ting-kai, the defender of Shanghai against the Japanese during the first part of this year, and at present commander of the forces in Fukien to exterminate the communist-bandits in the western part of said province, departed from Hangchow and proceeded to Hochi at the beginning of the week to take personal charge of the campaign. General Mao Wei-shou, Commander of the 61st Division, reported to General Tsai that Commander Chen Yu-tsai, of the 1st regiment of the 1st Fukien Provincial Brigade under Chen Kuo-hui, had been killed while attempting to escape. General Ho Hsien-tsu and Hung Wen-te, formerly Vice-Commander and Acting Commander respectively of the 3rd and 1st Fukien Provincial Brigades, also tried to escape to Hankow, but were arrested by the Swatow authorities enroute. The two fugitive generals were later sent to Foochow to be tried by court martial for corruption and oppression of the people.

According to a telegram received in Hankow from Major-General Wang attached to the 51st Division under General Fan Shih-sheng 2,000 "Reds" under the notorious Ho Lung were attacked and routed on October 14 by the Government units at Machiachi, north-west of Kiangshan. The brigands fled to Yangchiachai leaving behind a number of wounded. One brigade of the 1st Division under General Hu Tsung-nan and another brigade of the 47th Division under General Shangkuan Yun-hsiang jointly repulsed 3,000 bandits at Changchiapang in the Chichun district, eastern Hupeh, according to a *Kuo Min* report.

Portions of the "Red" bandits under Chu Te and Mao Tse-tung are reported to be concen-

trated at Anyuan and Huichang, southern Kiangsi, and along the Kiangsi-Kuangtung-Fukien border regions. General Chen Chi-tang, Commander of the Kuangtung Provincial Forces, has instructed General Huang Jen-huan, Commander of the 1st Kuangtung Independent Division, and Generals Yu Han-mou and Hsiang Han-ping, respectively Commanders of the 1st and 2nd Kuangtung Armies, to move their units for a joint attack. The 52nd Division under General Li Ming has defeated the so-called 1st and 3rd "Red" divisions at Anfu, western Kiangsi. The 79th Division under General Wang Chin-wen has also routed the 10th "Red" army at Chienshan, eastern Kiangsi, where they killed 400 outlaws.

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The civil war in Shantung has narrowed itself down to rather small proportions. General Liu Chien-nien, who for the past five years held a semi-independent position at Chefoo, has in the meantime been compelled to retreat to Laichow, where he is stated to have only a few thousand troops. General Han Fu-chu, the Governor of Shantung, occupied Chefoo on October 15, the taking over being effected without any incident. The occupation of Chefoo by General Han is considered by foreign observers to signify the practical elimination of General Liu as a serious political factor in Shantung politics in the future. Chefoo is one of the ports usually visited by the American fleet in summer time. No disturbances occurred there at any time during the recent civil war.

The two delegates that were sent to Shantung by the Nanking government with a view to patching up the differences between the two military rivals in that province at no time received any encouragement. General Han Fu-chu in a message to the elders of Eastern Shantung declared: "My conscience will not feel at ease so long as General Liu Chen-nien remains in Shantung for a single day. I am determined to subjugate him and will not stop half way."

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According to a recent telegram from Nanking the National Government is taking energetic steps to put an early end to the hostilities in Szechuan between General Liu Wen-hui and General Liu Hsiang. As pointed out in another column of this issue of *The Review* by Paul K. Whang, the two opponents are respectively uncle and nephew.

A recent telegram stated that hopes for a peaceful settlement of the Szechuan trouble had become brighter as it was reported that Generals Tien Sung-jao, Teng Hsi-hou, Yang Sen and Liu Tsun-hou, who are not involved in the dispute, are using their influence to bring about a compromise. A Chengtu message also reported that with the repulse of the attack upon Shunking by General Liu Wen-hui's forces, a lull has ensued. Strenuous efforts continue to be made by both official and private circles in Nanking to avert major hostilities in Szechuen. Both General Ho Ying-chin and Wang Peh-chun, who are on terms of close personal friendship with the various Szechuan generals have telegraphed, in their private capacities, to the contending commanders urging them to cease military preparations. The Szechuan Residents' Association at Nanking also held a meeting recently to discuss measures for settling the situation. Representatives of various neutral Szechuan generals were present and gave assurances that their respective chiefs would confine themselves strictly to self-defence. The meeting decided to call upon the Central Government to take effective measures for the punishment all participants in the strife. It also resolved to do all that was possible to arouse the public to the situation in order that a strong public opinion may be fostered to check the activities of the militarists.

Nationalists in Korea Stage Anti-Japanese Revolt

An uprising of young Korean nationalist groups was commenced throughout Korea during the latter part of last week. The movement started in response to the campaign for the independence of Korea carried on by General Li Ching-shan, former commander-in chief of the independent Army of Korea. General Li has joined General Tang Chu-wu, commander-in-chief of the Chinese volunteers in Eastern Liaoning, in the campaign against Japan. According to a recent dispatch from Seoul in the *China Press* more than 10,000 young Korean nationalists have lined up under the banner of rebellion raised by the Korean commander.

The forces of General Li, who has been placed in command of the combined forces of Chinese volunteers and Korean nationalists on the Eastern Route, came into conflict with the Japanese mixed regiment, despatched from Pinglang, on the Liaoning-Korean border on October 11. The latter, it is reported, was defeated during the engagement which resulted in 500 men being killed, including the chief aid-de-camp of the Japanese mixed regiment.

Koreans Organize to Aid Anti-Manchukuo Campaign

Korean Nationalist leaders in Shanghai held a secret conference in Shanghai October 17 and pledged support for a Chinese-Korean campaign against the Japanese military in Manchuria. Plans for the strengthening of the Chinese-Korean alliance formed between commanders of the Cbinese volunteers in Liaoning Province and former commanders of the independent Army of Korea, so as to bring the campaign for the independence of Korea and the recovery of Manchuria to China to a successful conclusion, were adopted. It was decided to send secret parties of men who are conversant with geographical conditions in Manchuria, to the Northeast to do military espionage service for the Chinese-Korean forces.

Chekiang Salt Gabelle Contributes Clothing for Northeastern Army

The Chekiang Salt Gabelle has contributed 100 suits for the Northeastern Volunteer Army, who recently sent out an appeal for clothing to withstand the rigors of the northern climate. The Chinese General Chamber of Commerce received the clothing and turned it over to the local Northeast Volunteer Army Support Committee who are forwarding them to the north. The medical corps of the Northeastern Army has commenced soliciting in Greater Shanghai for funds with which to buy supplies.

A recent telegram from Nanking stated that more than 300,000 Chinese volunteers in Manchuria who are fighting the combined Manchukuo and Japanese forces are facing extreme hardship now that wintery conditions are descending on North Manchuria. They are running short of food and ammunition and with severe weather coming on they face death either from starvation and exposure or at the the hands of the Japanese forces. According to latest reports these men were still wearing summer clothing and had no winter clothing at all.

Funds to Be Raised to Rebuild Chapei

According to officials of the Intelligence Department of the City Government of Greater Shanghai the Municipality has drawn up schemes for the rebuilding of Chapei and other war-devastated districts at a cost of $5,000,000 and as soon as the funds required are raised, the reconstruction campaign will be launched. The funds will be used for the construction of roads, bridges, street lighting, and also to rebuild the demolished public schools.

Has U. S. Under Hoover Become World Leader?

(Kansas City Star, Sept. 11)

COMMENT abroad upon Prseident Hoover's attitude toward a possible revision of the war debts, as stated in his recent speech accepting renomination, discloses a peculiar lack of understanding with respect to his foreign policy as a whole. The more friendly of the European critics seem to assume that the President has been compelled to deviate temporarily from a generally helpful policy by the necessities of a political election. The less friendly evidently feel that he has no constructive and coherent policy at all and that his opposition to cancelling the debts is only another indication of the absence of competent direction in the foreign relations of the United States.

Neither explanation is correct. It is true, of course, that to advocate a proportional reduction or cancellation of the war debts, such as Europe obviously would like, would be politically dangerous at this or any other time. But it does not follow that the President was sacrificing his principles to expediency, when he declared that the debts must not be cancelled, although trading adjustments might be possible. The President's policy has been consistently against cancellation, although not rigidly opposed to readjustment under certain conditions at which he has broadly hinted.

An Expert on Foreign Relations

The assumption that the Hoover administration has had no comprehensive foreign policy is even more absurd. In few periods of its history has the United States had such aggressive leadership in its international relations as it has had in the last three and a half years, and rarely, if ever, in time of peace has this country exercised so powerful an influence upon world affairs. Nor is it surprising that such should have been the case. Herbert Hoover came to the White House probably more familiar than any previous President with conditions in all parts of the world.

So comprehensive was President Hoover's grasp of foreign affairs, when he was inaugurated, that Secretary Henry L. Stimson is said to have remarked shortly thereafter that the President had forgotten more international information that he or most secretaries of state ever knew. As a matter of fact, one of the major criticisms made against Hoover in his first campaign was to the effect that he had lived so long abroad that his patriotism probably had deteriorated and he had turned into an "internationalist," unfit to guard the interests of a great nation. The critics who held this view apparently were unaware that the natural reaction of a prolonged residence abroad is to turn the exile into an intense nationalist.

The Underlying Principles

President Hoover, therefore, took office peculiarly well equipped to deal with international questions. A review of his administration, with reference to the conduct of foreign relations, will show how that equipment has been used. It falls naturally under four main headings—relations in the western hemisphere, disarmament, economic co-operation and the new doctrine of diplomatic recognition. But it must be prefaced by a few general remarks.

It was noticed when the President-elect made his South American tour that he carefully avoided specific statements of policy. In his subsequent administration he has shown the same tendency to meet each problem as it arose, rather than to anticipate his course of action by declarations in advance. Nevertheless, it is evident that his general policy at the outset was to improve American relations with other countries by demonstrating effectively that the United States had no imperialistic designs but was genuinely desirous of co-operating for the common good, as far as possible without abandoning the national tradition of foreign action.

The development of the Hoover foreign policy, particularly in the last year or so, is the logical outcome of the President's original attitude, fostered by economic and political necessity. If it must be considered in parts, the policy, none the less, forms a consistent whole, and divisions for convenience should not be confused as representing a casual or chronological sequence.

In the Western Hemisphere.

1. In recent years relations between the United States and various Latin-American countries have been disturbed primarily by the suspicion that the largest nation was attempting to dominate the whole hemisphere. The President's South American tour was simply a gesture of friendship, but gestures are important in diplomacy. Even more important, however, has been the concrete evidence of good will toward Latin America which the Hoover administration has been able to give, as a result of a series of revolutions that has affected almost every South American republic and of the withdrawal of the marine supervision over Haiti.

The revolutions furnished him an opportunity to prove that the United States was not seeking a pretext to intervene in South American affairs and that it had returned to the policy of noninterference abandoned by Secretary William Jennings Bryan in 1913. The President's action in sending a commission to investigate the situation in Haiti and his acceptance of its recommendation, to restore popular government in that republic, also have produced a favorable impression throughout Latin America. The chief achievement of the administration in dealing with Canada, of course, has been the conclusion of the St. Lawrence waterway treaty, which, if carried out, will permit most ocean-going vessels to enter the Great Lakes. (Although this project had long been under discussion, the present administration was largely instrumental in making it politically possible.)

Reduction of Armaments

2. When the President assumed office, he found the preparatory commission for the general disarmament conference in the doldrums and negotiations for an extension of the Washington naval treaty blocked by the failure of the 3-power Geneva conference in 1927. He promptly injected life into the preparatory commission by suggesting, through Ambassador Hugh Gibson, methods of solving the two principal problems before it, and then began negotiations with Prime Minister Ramsay MacDonald for another naval conference through Ambassador Charles G. Dawes. The result of the latter negotiations was the visit of the British prime minister to Washington and the subsequent London naval conference, one of the great landmarks in the limitation of armaments.

With the aid of a conciliatory American delegation, the preparatory commission finally finished a draft treaty and the League of Nations called its general disarmament conference at Geneva. That conference had come almost to a complete halt, when the President gave it a tremendous shove by a proposal that involved the abolition of certain armaments and the reduction of all others roughly by one-third. The dead-weight of France and the failure of Great Britain to assist reduced the momentum of the Hoover program to such an extent that the conference adjourned with only a perfunctory acceptance of this proposal, but when it resumes its sessions, the delegates will face an embarrassing challenge.

Economic Co-operation

3. The financial crisis in central Europe last summer led President Hoover to propose a year's suspension of all international debt and reparation payments, in order to allow the debtor nations to recover their economic equilibrium.

The European economic situation, however, did not improve and although the international bankers arranged not to withdraw their short-term credit from Germany (under the "standstill" agreement), it soon was evident that further measures would be necessary, when the moratorium ended. The American congress had ratified the moratorium, with a warning that it was opposed to a reduction or cancellation of the war debts owed to the United States. After a talk with Premier Pierre Laval of France, the President, therefore, served notice on Europe that it must solve its reparation and debt problems. The result was the Lausanne agreement, practically wiping out reparations but contingent upon a revision of the war debts, for which Europe now is waiting to apply apparently until after the November elections.

In general the Hoover policy on war debts has been that Europe must put its own house in order before there can be even a useful discussion of the subject; that as long as Europe continues to squander money upon armaments, it can hardly plead bankruptcy to the American texpayer; that while cancellation is out of the question,

there might be a revision of certain payments in return for tariff advantages for American goods, and that if there is to be any readjustment of the debts, it must be on the basis of capacity to pay. European governments are said to be seeing a basis of negotiation in this policy.

Rewriting the League Covenant

4. Ever since the United States refused to join the League of Nations, the question has disturbed theorists as to what would happen if the League should attempt to appply economic sanctions or force against some nation, without the co-operation of the United States. The Kellogg-Briand peace pact, which outlawed war as an "instrument of national policy," seemed partly to solve the problem, but the undeclared war between Japan and China over Manchuria produced what many observers believe may be the complete solution.

Early this year the Hoover administration informed Japan that the United States would not recognize any agreement forced upon a nation in violation of existing treaties (including the peace pact). The League promptly adopted the same policy. As a result, no government, except the Japanese, has indicated any desire to recognize the puppet state set up by Japan in Manchuria. The implications of this policy have not yet been tested, but it generally is considered to open a new way to peace. It is even contended that Hoover has re-written an important part of the covenant of the League —that he has abolished the sanctions section of the document. The Hoover doctrine, designed to deprive a nation of the benefits of victory, is perhaps the greatest single achievement of the administration in foreign affairs.

Tariff Barriers Are Ignored

In reviewing American foreign policy in the last three years and a half, one other object demands attention. Tariffs formerly were regarded purely as a matter of domestic policy. With the growth of international trade and the creation of international debts on a huge scale, however, they have become involvd in foreign policy. Many competent observers believe that the economic welfare of the world depends largely upon a general lowering of tariff barriers, including those of the United States. The President apparently has not yet been converted to that view.

But, on the whole, it may be said that under him the United States has become the most powerful influence for peace and co-operation today among the nations of the world.

Tang Shao-yi Favors President Hoover

Tang Shao-yi, veteran Chinese statesman, stated in an interview in Canton October 14, that it was his personal opinion that it would be a mistake for the United States to put a new man in the Presidential chair at the present juncture. Continuing, Mr. Tang said: "Herbert Hoover is the man they should re-elect to carry the heavy responsibilities of the White House for the next four years if the American people are to win the world's admiration for a triumph of horse sense on their part." Mr. Tang declared that the re-election of Herbert Hoover would be an event which China in particular would sincerely welcome because during his administration the United States stood firm for the Nine-Power Treaty in the Manchurian trouble and took the lead in telling Japan directly that armed force must yield to the force of world opinion and that international agreements must be upheld.

Dr. C. C. Wu Says a Good Word for Democrats

Dr. C. C. Wu on passing through Nanking enroute to Peiping October 17, when interviewed by the Chinese press regarding the Lytton Report, said that since the Report has now under consideration by the Chinese authorities, he did not wish to make further comment than what he had already said in Shanghai. He emphasized, however, the great importance of the attitude of France, Great Britain and the United States, saying that France and Britain were the most influential members of the League and their attitude in turn was closely connected with America's standpoint. Dr. Wu deplored the present civil fighting, stating that while China should pay close heed to international developments, a satisfactory settlement of the Sino-Japanese dispute primarily depended on her own efforts. Dr. Wu also referred to the belief held in some Chinese circles that the American Democratic party was less inclined than the republican to take energetic measures regarding foreign affairs, and thus, if the Democrats win in the November elections, the United States' Far Eastern policy might undergo changes. Dr. Wu, however, was not inclined to agree with such an opinion, stating that the United States participated in the World War under a Democratic president.

U. S. Economists Again Inveigh Against Smoot-Hawley Tariff

The same group (generally speaking) of renowned American economists, almost two hundred in number, who at the time the Smoot-Hawley tariff was pending, made an appeal that this high tariff should not be passed, and incidentally predicted that worldwide economic reprisals would result, on October 16 once more addressed a similar petition to President Hoover asking that he use his power under the tariff law to reduce the inequalities of the Hawley-Smoot tariff act. The economists declare that foreign countries are unable to sell their goods in the United States and that their retaliatory tariffs prevent the United States from selling goods to them. Producers in foreign nations cannot buy American goods, they point out, unless they in turn can sell in the United States. The tariff law gives the President power to reduce or increase the duty on imports as much as 50 per cent of the amount fixed by law. The economists in their petition request the President to lower the tariffs, where possible. The President is requested to open negotiations with foreign governments immediately to obtain a mutual reduction in tariffs so that normal business between the countries may be returned. It is believed that President Hoover will pay scant attention to the appeal of the economists, as he has expressed the opinion that the high tariff has minimized rather than increased the economic disaster which has overtaken America. It is estimated that 11,000,000 American workers will be unemployed during the coming winter and President Hoover has made a heart to-heart appeal to the public to aid with their money and their efforts the newly organized Welfare Relief Mobilization Body.

Willis C. Hawley, congressman from Oregon, whose name is coupled with that of Mr. Smoot in the tariff act, was defeated for renomination in the recent primaries.

American Election Campaign Increases in Intensity

The election campaign in the United States has become exceedingly "hot." Senator Norris from Nebraska has injected an unusual element into the contest by making a speech demanding that President Hoover should disclose the sources and extent of his wealth. The *Literary Digest* poll shows a considerable majority for the Democrats, but the latest telegrams stated that the Democrats are not so sure now as previously regarding California and Iowa. Women are taking an unprecedented interest in the campaign and it is predicted that they will cast almost half of the total vote. Charles Schwab, in London, himself a Republican, stated that the indications were that the Democrats would win. President Hoover has appealed to women voters to vote Republican and in favor of Prohibition. The Ford Motor Co. has asked its employees to vote Republican.

Belgian Arms Smuggled to Far East by Dutch Organization

Het Volk, a prominent Amsterdam newspaper recently charged that a widespread arms smuggling organization was in existence. Arms were not only smuggled into Germany but also, and to a remarkably great extent, to the Far East, China as well as Japan. This Dutch paper furthermore asserted that the arms in question were all of Belgian make, while the headquarters of the smuggling organization are in the Dutch capital.

Still Another German Newspaper to Be Started in Shanghai

It was mentioned in the columns of *The Review* last week that the German community of Shanghai, after having been without a newspaper for eighteen years, had suddenly changed its quiescent policy, and as a result, one daily newspaper and one semi-monthly journal, both in the German language, had been started. Still another German publication is also in process of being established here, W. Bartels, the editor of the German paper at Tientsin, being at present in Shanghai to make the necessary arrangements.

Far Eastern World War in Ferment

BY SHEN HSUEH-CHUAN (沈學傳)

JAPAN'S armed occupation of Manchuria during the past year has darkened the horizon of the Far East and because of her continued aggressions, is threatening a world war in Asia. The various countries directly or indirectly interested in the Far East are making secret military preparations in anticipation of that eventuality, lest they be caught by surprise. Thus far, Japan has played a lone hand in her Manchurian adventure. Conscious of her isolated position, she is now assiduously seeking the support of France and is reported to have approached that country with an offer for an alliance. Japan's relations with Russia have been greatly strained with the extension of Japanese military operations into North Manchuria and on the Soviet Borders, while ill-feeling with America has also been aggravated. Great Britain is keenly watching the Far Eastern situation but has preserved a neutral attitude. Russia has recently mobilized a huge Army along the Manchurian borders although she has avoided arousing Japan's suspicions. Thus, judging from the attitudes of the various countries, it seems that another world war is in ferment and may break out at any moment.

However, several significant and unexpected things have happenned during recent months. Contrary to expectations, a Russo-Japanese Oil Agreement was signed on Sept. 24. While the contents of the Agreement are as yet unknown, it is understood that the contract provides that Russia should annually supply Japan with 100,000 tons of oil in exchange for Japanese commodities. The main object of the Agreement, according to reports from reliable sources, is on the part of Japan to establish an understanding with Russia which will make the Japanse Navy free from depending upon America for oil supplies. In view of the tense relations between America and Japan, the Japanese Navy has been most anxious to emancipate itself from relying upon the American oil resources and to substitute Russia for America. It is learned that the Agreement which was conducted by the well-known Japanese industrialist Kojiro Matsukata was prompted by the United States' decision to concentrate the bulk of her Fleet at Pearl Harbor in Hawaii Islands, which is interpreted by the Japanese as a preparatory war measure against her. The Agreement is contingent upon two conditions—first, to improve the transportation facilities in Manchuria and secondly, the granting of official recognition of "Manchukuo" by Soviet Russia. In return for the recognition of the Puppet State, Japan will grant Russia preferential duties for exports of Russian goods to Manchuria and undertake to protect the Soviet's interests in the Chinese Eastern Railway. Recently, Russia has received "Manchukuo" Consuls in her territory, which is regarded as indicating Russia's intention of officially recognizing the "Manchukuo" state. However, despite this apparently friendly gesture on the part of both Japan and Russia, a war between them seems inevitable because of their irreconcilable conflicts of political and economic interests in Manchuria. It is only a matter of time.

Another surprising thing is that France has unexpectedly changed her attitude towards Japan. She is following Great Britain's policy of watchful waiting and besides rejecting the Japanese offer of entering into an alliance with her, is reported to have decided not to recognise the Japanese puppet state "Manchukuo." Further, an understanding has been established between France and the United States in regard to their Far Eastern Policy. According to a report, it has been agreed upon that America should lend her weight to France in the latter's disarmament dispute with Germany, while France in return will support U. S. diplomatic policy in regard to Manchuria.

Due to the strong stand taken by America in regard to her armed aggresions in Manchuria and utter disregard of the so-called "Manchukuo" Japan has lately entertained more hatred of America than of Soviet Russia. The defiant attitude of America has irritated the Japanese sensibilities and stirred up all sorts of fears and resentments. The continued presence of the U. S. Atlantic fleet in the Pacific has added to the apprehensions of Japan, while the Hoover proposal for slashing the naval armaments by one-third is still looked upon with great suspision by Japan. As a consequence of these fears and suspicions, all kinds of alarmist stories found their way into the Japanese press recently. One interesting report is to the effect that America is negotiating with the Soviet Government for the lease of an air base in Kamchatka and that the American Air Force in the Philippine Islands has been secretly reinforced. These rumors, purposely disseminated by the Japanese newspapers to work up the public opinion against America, are doing a lot to strain the American-Japanese relations and inevitably lead to a war between the two countries.

League of Nations—A Scarecrow

Ever since the inception of the present Manchurian embroglio, Japan has never taken seriously the League of Nations and has almost consistently ignored its decisions. She has pursued her course of aggression in Manchuria according to her pre-conceived plan and never gave the League much consideration, even while the Lytton Inquiry Commission was conducting its investigation in Manchuria. While the Lytton report had scarcely been completed, Japan proceeded to appoint an Ambassador Plenipotentiary to Manchukuo in the person of Gen. Muto and officially accorded recognition to that puppet state. Count Uchida, Japanese Foreign Minister, in a recent speech delivered at Tokyo, announced that whatever resolutions the League Council may adopt in regard to Manchuria and even if the whole world should rise up against Japan, she has uncompromisingly and unequivocally determined to push through her fixed policy in Manchuria. All obstacles that stand in her way in the realization of her policy must be swept away and in the event of the League becoming unfriendly and unreasonable towards Japan, she will not hesitate to withdraw from the League. Such an attitude constitutes not only an utter disregard of the League but a direct challenge to the world. It endangers the peace of the world and tends to goad the various nations to another world war in order to check Japan's aggressive actions.

Japan Prepares for War

Realizing the tense situation in the world created by her armed aggressions in Manchuria, Japan is making feverish military preparations for the coming world war. The various leaders in the Government have worked out a comprehensive plan for both offense and defense operations in case the war should break out. Recently, the Ministers of War, Navy, Railways and Domestic Affairs held a joint conference to discuss and formulate a scheme of national mobilization. Japan has divided the country into three military districts, the North Kiushiu District, Kyoto-Osaka-Kobe District and Tokyo District, in which they recently staged military maneuvers according to the worked-out plan. For four days from July 24 to 27, a mobilization conference was held at Fukuoka, which was participated in by more than one thousand and sixty officers of the Ministry of War. The maneuvers were first staged in North Kiushiu District and then in Kyoto-Osaka-Kobe District and Tokyo District. The purpose of these sham maneuvers is to experiment in combating with emergencies in case of war. The specific purposes are: 1. how to protect the blast furnances in the three areas, 2. how to deal with war refugees, 3. other protection measures. In Tokyo district, air maneuvers are also staged from time to time. The various cities including Moji, Okura, Kumamoto, etc., have contributed Y.500,000 to purchase airplanes to strengthen the national air defense and the Ministry of War has turned the fund for the designated purpose.

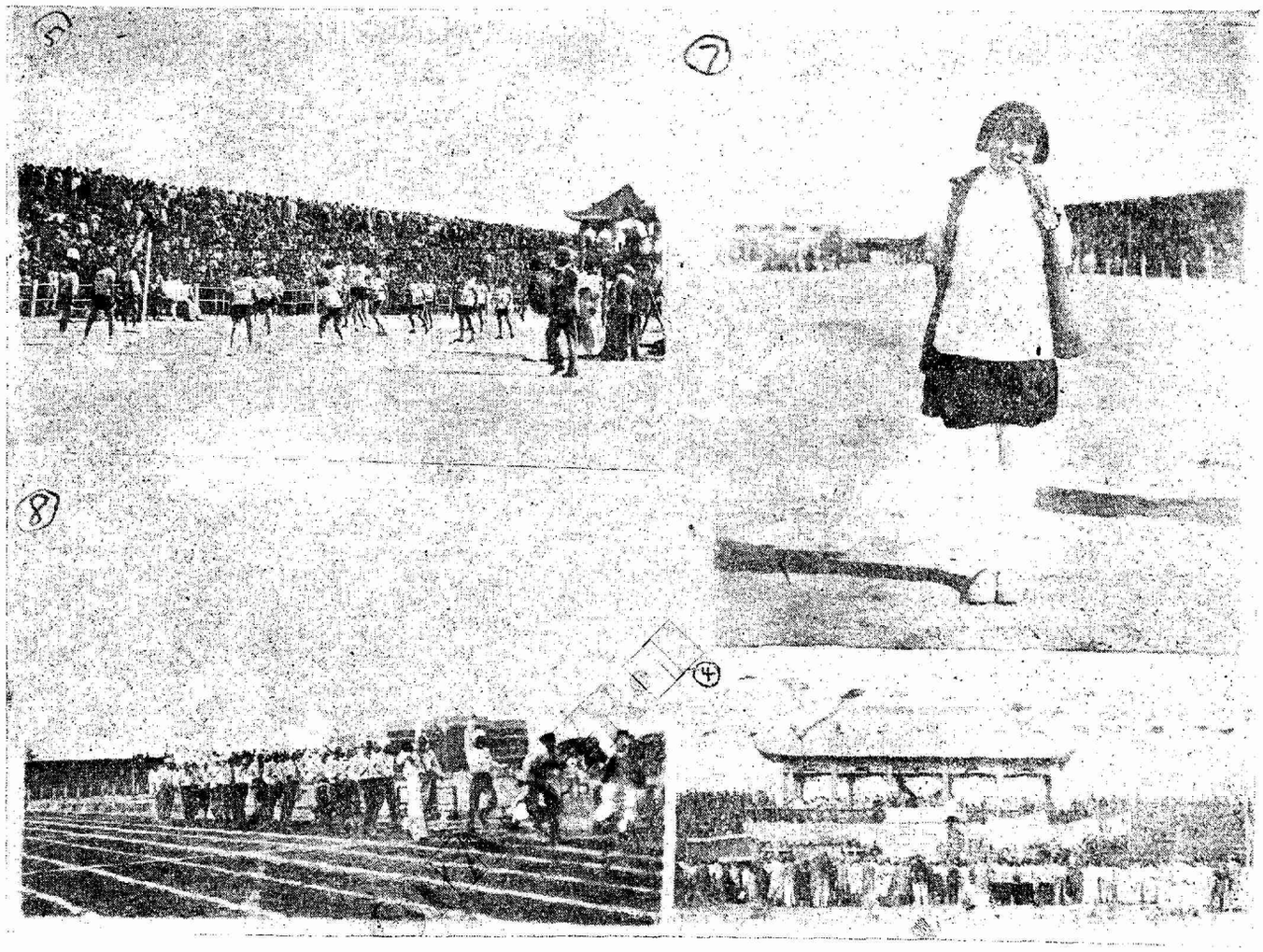
Japan in particular has maintained a vigilant watch upon the attitude and conduct of the United States. According to reports, she has taken the following steps in anticipation of war with America. 1. the improvement of communications and building of more airdromes in Formosa, 2. the establishment of new base at Shiatachiu also in Formosa. 3. the large-scale army, navy and air maneuvers in various parts of Japan,

In the meantime, despite her seemingly conciliatory attitude, Japan is also actively preparing for war with Russia. Just a few months ago, an enormously large airdrome was constructed at Fukuyama which is just opposite to the Russian Vladivostok. The aridrome occupies an area of more than 100,000 Tsubo (Japanese land measure) which can accommodate fifty huge airbombers at the same time. Once the war with Russia breaks out, the Fukuyama airdrome will become the principal military base. The Japanese Navy is making a close study of possibilies of establishing a naval base at Port Arthur for the defense of the Manchurian coast. Recently, the Japanese Ministers of War and Navy obtained a huge sum of appropriations from the Ministry of Finance for the purchase of arms from abroad. Japanese arsenals in various parts of the country are now working overtime to manufacture ammunition and even some large industrial factories are also ultilizing their machinery to produce arms to fill military orders. Huge imports of military supplies, such as chemicals, poison gas guns, army motor trucks and other equipments are continuously pouring into Japan from different countries in Europe. That Japan is actively prepared for war is obvious on every side.

62-359

SHANTUNG AND PEIPING STUDENTS WIN KAIFENG MEET

A North China Track and Field Meet was held at Kaifeng in the Honan Althletic Field from October 10 (Independence Day) to October 13. Most of the championships were won by Shantung and Peiping. At the end of the meet, General Liu Chih, chairman of Honan province, in an address to the participating athletes said that the question of the weakness or strength of a nation depends entirely upon that of the component individuals, and that all Chinese citizens should cooperate with the Central Government in showing a united spirit, lest foreigners criticize China as a nation without organization. The prizes which were distributed are estimated to have cost over $10,000. Athletes from Shantung, Hopei, Shansi, Suiyuan, and Charhar participated. It is interesting to note that several tens of the athletic representatives from Liaoning, including Liu Chang-chun, well-known sprinter who participated in the World Olympic Games, came to attend the meet to represent the Three Eastern Provinces. The Liaoning group had issued a declaration, saying that their main object in attending the meet was to show to the whole country that they had never forgotten their native land, and to stir them up to restore the lost provinces. Ma Liang, well-known boxing star of China, who attended the athletic meeting, said to the pressmen that during the past years he has promoted the boxing art with a view to saving the nation, and he believed that Chinese boxing in the future would prevail throughout the whole world. Mr. Ma also mentioned that in the third year of the Republic, one of his students, named Fang Tze-ping, had defeated a famous French boxing expert at Shanghai. Marshal Feng Yu-hsiang, General Yen Hsi-shan, General Shang Chen, Gen. Hsu Shu-tseng, and several other military leaders are all students of boxing, according to Mr. Ma.



SCENES FROM THE NORTH CHINA TRACK AND FIELD MEET AT KAIFENG; *Upper Left*—Volley Ball Competition; *Upper right*—Miss Chu Tien-chen, a Shantung maiden, who won the high-jump and the championship of the meet; *Lower Left*—Chinese students from Liaoning province of Manchuria, who were expelled from their schools as a result of the Japanese occupation; *Lower Right*—The opening of the Meet with Gen. Liu Chih, governor of Honan in the reviewing stand.

Greater Shanghai Inaugurates a Council of Nineteen

The Provisional City Council of the Municipality of Greater Shanghai was formally inaugurated at the Shanghai office of the Ministry of Foreign Affairs, Fengling Chiao, off Route Ghisi, October 16. Nineteen prominent local financial, educational, Kuomintang and professional leaders, recommended by Mayor Wu Teh-chen and appointed by Nanking, constitute this first city council.

They are: Messrs. Yu Ya-ching, Li Ming, Wong Siao-lan, Doo Yuoh-sun, Loh King-sze, Sze Liang-dza, Chien Sing-tse, Ching Zung-ching, Wong Ih-dong, Hsu Yung-cha, Chun Bing-him, Chang Kai-ngua, Kwoh Shun, Wong Yen-soong, Wu Yuh-kan, Dao Peh-chuan, Chen Kwong-fu, and Doctors Hermin C. E. Liu and John C. H. Wu. The aim of the Council will be to introduce local self-government.

Confucius' Temple in Shantung to be Repaired

Acting upon the suggestion of President Tai Chi-tao, voluntary contributions are being solicited by the Ministry of Interior towards a fund for the repair of the Temple of Confucius at Kufowhsien, Shantung, the birthplace of China's sage. It is understood that extensive repairs and renewals are necessary. A circular letter was issued recently by the Ministry to all Party and Government organs inviting donations for this worthy object.

Current Political Thoughts of the Overseas Chinese in Java

(From a Correspondent)

ONE evening during last July, in a modest building opposite to the Chartered Bank in the down-town section of Batavia, an intelligent group of Chinese residents attended the Soirée Musicale sponsored by the Chung Hua Hui, a political organization of the Java-born Chinese, for the benefit of a Chinese hospital called the Yang Seng Ie. While Chopin and Mozart were played and Rudy Vallée greatly despised, the program smartly reached its "intervalle." A tall, slender man with a pair of dark rimmed spectacles came to the platform and delivered a speech. He was Phoa Liang Ie, a young, prominent lawyer of Batavia. For those who understood him, his speech was masterly done and his words were the highest Malay known in this Colony. It was evident, however, that he has stirred up some discussions and the latter part of the musical program was somewhat neglected.

Two weeks later, at the 20th Anniversary of the Chinese Musical Society, a similar musical program was sponsored and another speech was delivered during the interval. This time the speech was delivered by Dr. Kwa Tjoan Sioe. Owing to his medical services rendered to the community at large, his calm and friendly attitude have undoubtedly gained him great popularity. With his slow but distinct pronounciation he finally rounded up his speech and the audience received it with thundering applause.

Very shortly after this, there seemed to be a rush in some newspaper offices and the two leading Malay papers were the talk of the town. The Chinese community was definitely excited over something that heretofore one failed to find any parallel for.

What was all this about? What did Lawyer Phoa and Dr. Kwa say that stirred up such a commotion? Is the issue merely a superficial argumentation of words or does it really possess any deep-rooted significance? One way or the other the recent enthusiasm alone deserves an understanding.

A brief survey of the background of the whole overseas Chinese is necessary since information pertaining to this subject is not generally known among many of our people in China.

Overseas Chinese Are Liberal

The overseas Chinese, or "Hua Chiao," as being better known and frequently applied to all Chinese who are residing overseas, are gaining the attention of the National Government, especially since the late Dr. Sun Yat-sen said that Hua Chiao is the mother of the revolution. During the recent Sino-Japanese conflict a sum of well over $10,000,000 was contributed by the overseas Chinese throughout the world to support the Government as well as many charitable organizations despite the world-wide business depression. This is clearly indicative that this section of our people who have been neglected for many hundred years are beginning to have a hand in our domestic affairs.

The number of the overseas Chinese residing all over the world is one of the many things that we have no reliable statistics to claim for authoritative information. Members of the Commission of Overseas Chinese Affairs seemed to believe that there are about 8,000,000 all together but this figure is not in accord with the Japanese writers on Asiatic affairs who claim it to be not more than 7,000,000. An absolutely safe estimate is 6,000,000.

Among these 6,000,000 overseas Chinese, approximately 5,600,000 or 94% are residing in Asia. 80% of the latter are distributed throughout the various places of the Malay Archipelago. This is a significant situation that is frequently overlooked by our Government in formulating a policy towards this section of our people. Perhaps it would be pertinent to examine this phase of the situation in a more detailed fashion.

The Malay Archipelago is mostly situated along the South-eastern section of Asia, namely: French Annam, Siam, British Malaya, Netherlands East Indies, British Borneo, Sarawak and Philippine Islands. A general Chinese name is "Nan Yang."

A survey of the distribution of Hua Chiao in the Malay Archipelago revealed the following: British Malaya has about 1,500,000 or 40% of its total population within this territory. Siam has about 1,300,000 or 13% of its total population. The Netherlands East Indies have about 1,200,000 which is only a little over 2% of its total population. Other localities are insignificant to relate.

Space is limited for a discussion of all the different localities and the problems pertaining to our overseas Chinese but suffice it to say that the above three places—British Malaya, Siam and the Netherlands East Indies—have about 80% of the total Hua Chiao residing throughout the Malay Archipelago. As the latter districts have 80% of the total Hua Chiao in Asia and which in turn had 94% of the total Hua Chiao throughout the world, the importance of the Malay Archipelago can be readily seen.

The Situation in the N.E.I.

Now with this general perspective in mind we turn to study more closely the situation in the Netherlands East Indies. The readers will undoubtedly have noticed that there is a vast difference between the percentages of Hua Chiao population to their respective total populations of their residing districts. Consequently the position and influence of the Hua Chiao in one particular colony will necessarily be different from the other. The usual conception of taking all the overseas Chinese residing in Nan Yang or the Malay Archipelago as having similar problems is contrary to facts.

In the light of political and commercial developments for the last 300 years in the Netherlands East Indies, the story of the recent trends of political thought within the Chinese Community in this Colony reveals nothing novel, yet it is not a commonplace; on the contrary, it is unique, significant and peculiar in itself. The energetic, brave explorers from Fukien and Kwangtung came to this Colony, similar to those explorers to other countries, with the sole ambition for commercial pursuits. They scarcely ask who is the governing authority and have no political organization. They deem it as their duty to fulfill the local requirements in paying taxes and seek their protection so that their peaceful trading enterprises are not disturbed. They are painstaking, shrewd businessmen but not politicians. Their political interest is a comparatively recent development.

The individual sectionalism is still holding fast in their minds and in many places this feeling is so strong that even a trade cooperation with people from two districts in China is virtually impossible if not entirely hopeless.

However, besides this individual sectionalism additional complication is provided by the fact that there are two groups of Chinese with entirely different background. They are, namely, Java-born and China-born. As the laws of the Netherlands are to adhere primarily to the principle of *jus soli*, by which mere birth upon the soil is sufficient to confer nationality, irrespective of the citizenship of the parents and any person who is born in the Dutch Colonies is considered as a Dutch Colonial citizen.

While conflicting with this conception, the Chinese laws adhere primarily to the civil law principle of *jus sanguinis* by which the nationality of children follows that of their parents, irrespective of their place of birth and if the father is a Chinese his children are automatically Chinese citizens. Despite the fact that the Sino-Dutch Consular Treaty of 1911 provided that the Java-born Chinese should not be considered as Chinese citizens, nevertheless, those who were born here actually have the status known in International Law as "dual nationality."

It should be noted, however, at the very outset that there is a difference between Dutch Colonial Citizenship and Dutch Subject and these two things should therefore not be confused.

The Dutch East Indian Constitution provides that the Europeans and the Japanese belong to one group and the Chinese and the natives to another. Although there is a provision that a Chinese can acquire an "European status" upon application with a small fee, that means one has to consider himself not as a Chinese but a Chinese-with-European-name. The question still remains why one as a Chinese cannot have an automatic status that is comparable with the Japanese instead of filing an application?

Diplomats Failed to Foresee Developments

At the time when the Sino-Dutch Consular Treaty of 1911 was signed, Chinese diplomats failed to foresee the possible developments of our present day. Among many other things, the treaty has stipulated that the Chinese Consuls or Consul-General should have no right of diplomatic representation but merely act as commercial agents or "protectors of commerce." Therefore when matters of local importance crop up, which in any other country would naturally be dealt with by the Consul or Consul-General in the absence of other diplomatic representatives, under this treaty the Chinese Consuls or Consul General have no right to enter into negotiations with the Dutch East Indian Government. With a population of over 1,200,000, which is more than one-sixth of all the overseas Chinese throughout the world, the problem is more real than theoretical.

The history of Chinese consulates in the Netherlands East Indies will reveal many instances when our nationals wished to secure assistance from the Consuls but were deprived of it because of this very treaty. In this present world where economics go with politics and commercial protection hinges largely upon diplomatic representation, we could only hope that a correction of this situation will soon take place.

From the Dutch point of view, the said treaty is not altogether satisfactory either. The Dutch have always been adhering to the high principle of strict neutrality but the present treaty can not, for instance, make them absolutely neutral between the Chinese and the Japanese. Our experience has indicated many instances that if some diplomatic representation were given to our Consuls, better interpretations of our intentions will be duly represented and the spirit of friendship and goodwill will naturally be strengthened. Diplomatic issues are only to be discussed between Nanking and the Hague and a local issue that does not warrant telegraphic correspondence cannot be settled within the shortest time desirable. Furthermore, the Dutch are enjoying much less advantages than people in China always think they do, which consequently resulted in many misunderstandings and unfavorable comments. At this time of possible change of alignment on the Pacific, a Sino-Dutch cooperation perhaps is more important than a Dutch-Japan cooperation.

The problems that are outlined above are but one phase of a very complicated situation but are sufficient to serve as a foundation for our present discussion.

Facing such a curious, inconsistent situation for such a long period of time, the Chinese community is naturally looking for a solution. This is really the starting point where opinions differ and conceptions are divided; and, in that we shall find the greatest issue in our present analysis of this vital topic.

Abolition of Discriminations Sought

Like many political issues, the ultimate goal is the same—the abolition of the present discriminations and to elevate the status of the Chinese—but the means for accomplishing that end are widely different and sometimes uncompromising.

The recent controversy that was stated in the earlier part of the present article represents two distinct schools of thought. On the one hand, those Chinese who have been living in the Netherlands Indies for many generations and who, as noted above, are having a dual nationality, are naturally facing different problems than others. They are inclined to believe that since the Motherland is having more troubles than she can solve, to depend upon her to elevate our status seemed to be impossible if not hopeless. Since, as they claim, that they are having the advantage of expressing themselves in the Netherland Indian Government, why give up the valuable opportunity. No matter what the sentimental people may criticise, one bird in the hand is better than two in the bush. In other words, they do not think they can depend too much upon their Motherland and for political expediency in order to protect their property and interests, they deem it imperative to seek cooperation with the Dutch.

On the other hand, there is another group who thinks that no matter what happens to the Motherland, it is the duty of her sons and daughters to take the responsibility to correct the situation. This doctrine is not only worshiped by the China-born Chinese who, in fact, have no other alternative, but also seriously preached by many Java-born citizens. It is their conviction that to elevate our status we should not go to the Dutch but rather to stand up ourselves. When China as a nation is strong, our status will automatically be raised; while on the contrary, if we allow China to sink our future outcome will not be any different than the Jews in former Russia and the Jews in Germany today. Although the Jews are supposed to have the same status wherever they reside, yet where is their security? This contention can be definitely substantiated by recent happenings in Mexico, Korea, Africa and other places in South America. There is nothing we can trust in politics and with one slight modification in the Government our position may be vastly changed. Therefore, for better and for worse, this group have their faith in their Motherland and are confident that this is the only solution. They also claim that their platform is more fundamental.

Co-operation with Natives

In passing it is worthy to note that besides these two schools of thought, there is another group with an entirely different conception. This school of thought, although less heard of in West Java, has a distinct place in the trends of our political thought. It is their contention that we Chinese should not ask any more than the natives, we should endure the present stage with the natives and our better times will surely come at some later date. The Europeans have a population about one-third of one percent of the total population while the Chinese have a little over two percent. The natives are really the proponderating majority—about 97% of the total population. It is through co-operation with the natives that we shall find our own solution.

Therefore, roughly speaking, we have the general picture of the whole situation: On the right we have the group going "to the Dutch and acquiring European status;" on the left, we have the humble movement of cooperation with the natives whom they think of as the real owners of the land; and, we find at the other corner of the triangle, the Chinese for China. A compromise of these opinions is impossible although the latter two groups—cooperating with the natives and depending upon the Chinese Government—are definitely sympathetic towards one another.

Chung Hua Hui is a political party of the Netherlands East Indies. It is a Java-born Chinese organization to represent our political as well as our commercial interests in this Colony. It excludes any Chinese other than Java-born to be its members for the simple reason that, as they are often quoted as saying, "to meet circumstances" because the Netherlands laws provide that no political parties can be joined by aliens within its territory and the admission of any one besides the Java-born elements will nullify the legal potency of the Chung Hua Hui and probably will mean the entire dissolution of their political theory.

The opposition does not have a party organization—in name at least—for the simple reason, as stated before, that no political party can be formed by aliens. It is generally recognized, however, that this movement is guided by the *Sin Po*, a well established newspaper printed in two editions—one being Chinese and the other Malay. This paper thinks that its theory is sound and its method of attack is fundamental. Incidentally, the Malay edition of this paper contradicts the *Siang Po*, a Malay paper that supports the contentions of the Chung Hua Hui.

The present controversy received impetus at a public debate held September 4 at the Chung Hua Hui building where the said society invites public criticisms and reiterates its party platform. This session was important, because not only Chinese but also many Dutch officials were present, the latter apparently being quite concerned over the heated problem.

For the supporters of the Chung Hua Hui, their arguments are always for political expediency, peaceful and unprovocative means to attain the ultimate goal of raising our status. "We can not consider ourselves to be guests any more in this Colony, we are hosts and we deserve a share in the Government. Circumstances that made Java accomplish what it has secured to-day are

directly attributable to the assistance of our forefathers who settled in this territory." "We are Chinese and shall always remain Chinese, but the reason why we cannot admit anybody other than the Java-born is because we have to face this particular circumstance." Chung Hua Hui although it is exclusively formed by the Java-born Chinese, their policy, as they maintain, is for the benefit of all the Chinese in this Colony. This perhaps is clearly indicated by the able and intelligent leadership of H. H. Kan, a member of the Volksrand (People's Council), who is the only one among the four Chinese members in the Assembly that have stood for the Chinese interests most.

"They (the Chung Hua Hui) like to make us to be Europeans," the opponents always remarked. "Why should we? We are Chinese and we are proud of it. Our duty to China is not to neglect her but to do the best we can to protect her. Our Government may seem corrupt, it is true, but that means our responsibilities have increased. To evade such responsibilities is cowardice, to secure comfort for a few is selfish, to submit to circumstances is unmanly and to forget your ancestors is not Chinese."

Arguments like these can go on for pages but there will never be any solution. The present writer does not intend to go into the details but rather wishes to indicate the trends of thought. This situation is unique and directly traceable to the indifferent attitude of our Government.

The time has at last come that in face of the national crisis and the world-wide business depression, the long neglected population who are residing overseas are searching solutions for themselves. Our Government, more than ever before, is slighting such problems because of the need of a definite policy. Our present attention is entirely concentrated on the dispute with Japan and many other burning problems are allowed to pass. True, we should not be less cautious with Japan but we should also be more attentive to other countries. Let us not base our prejudice on hatred and fear. The care of the overseas people is not a mere political platform. Friendly, serious and calm thinking should formulate our policy before it is too late.

Batavia, Java, Sept. 15, 1932.

Malayan Immigration Law and the Malayan Chinese

BY K. K. HUANG

IN these times of troubles and chaos, when the attention of most intelligent Chinese is directed to the future of Manchuria, and the possibility of a major clash between China and Japan, it may appear rather unbefitting to deal on a subject seemingly so unimportant as Malayan Immigration law. To many Chinese who are indifferent to anything which does not affect their own interest, and who know little or nothing of the oversea Chinese the problem of Malayan Immigration Law is not only unimportant but insignificant. However, the fact remains that Malaya is a country whose present development depends largely upon the Chinese, who are pioneers in opening the once forest land who constitute about one-third of the total population. The prosperity and decline of Malaya is as much a problem for Chinese as for British and Malaya. *A fortiori*, the Malayan Immigration law is a great problem for the Chinese, as it directly affects them, for no matter how much they may have contributed to the prosperity of Malaya, and how long they may have been domicilied there, they remain aliens.

It was reported in the *Sin Chew Jit Pao*, a Chinese newspaper in Singapore, that a bill to register and control aliens, was first read and passed by the Legislative Council in Singapore on August 12. As Malaya is the only country in the Malayan Archipelago and South-eastern Asia which has not controlled or supervised in any way the immigration and residence of aliens, the Government considers it necessary now to have a system of control. The main object of the Bill as reported is to regulate the admission of aliens in accordance with the poltical, economic and social needs of Malaya. In due course of time similar bills will be passed in the Federated and Unfederated states. In other words, the whole of Malaya including Straits Settlement, Federated and Unfederated Malay states will soon have the same system of control, which will impose, if it as considered necessary to do so, a limit on the number of aliens admitted to Malaya, and will provide a means of registering all aliens so admitted and if necessary controlling their residence in Malaya.

Such is said to be the purpose of the Bill. Nevertheless, in order to fully understand the aims of the Malayan Government it is necessary to consider its provisions. Of course we need not consider all its provisions. It will be sufficient for the purpose of this article to consider only all those provisions as will affect the Chinese.

The Right of Entry

First and foremost of all must be considered the question of the right of entry. According to the provisions of the Bill all aliens can, for the present, enter only at the designated ports namely: Singapore, Malacca, Penang, and Labuan. This is because these ports are the only channel through which the aliens enter. So it is necessary to control the aliens at these ports of call. All aliens before landing at these ports must first obtain a permit to land from the immigration officer. Any alien, violating this provision, lands, or attempts to land or any person who assists or abets such person to land, shall be arrested and sent to be tried at the police court. Such alien if found guilty shall be fined a sum not exceeding $500 Straits currency (almost equvalent to $1,000 Chinese) and if unable to pay the fine, shall be imprisoned for a period not more than six months. And any person who without the permission of the immigration officer should embark or attempt to embark on any ship carrying aliens shall be similarly punished. Before landing the immigration officer has a right to send any immigrated alien to the detention house. Such alien then cannot leave the detention house without the permission of the immigration officer. If he should escape or attempt to escape, he shall be arrested, and if found guilty of violating the provision, shall have imposed on him the same punishment as stated in the preceding sentence.

The alien before being permitted to land must pay a prescribed fee, which, as reported, has been fixed by the Governor in council to be $25. (Straits currency.) When the alien has paid the prescribed fee the immigration officer shall issue to him a landing permit unless the said alien falls within the prohibited class, namely: (1) Persons unable to earn their living owing to sickness, blindness, insanity, etc. (2) Persons unable to prove that they have proper jobs, or in the opinion of the immigration officer are unable to get one. (3). Persons having contagious disease. (4) Persons expelled by another Government. (5) Prostitutes, and (6) Persons suspected of agitation and sedition. Should the immigration officer refuse to issue to him the landing permit, he then can appeal to the Governor in council, whose decision shall be final. Any such alien who fails to obtain a landing permit, or whose appeal is rejected is subject to be detained in the detention house, before being repatriated to his native home. The immigration officer, however, can upon sufficient security, permit any alien to land, and then fix a date and place for payment and for securing the permit. But if the said alien should fail to pay at the designated time and place, he shall then be arrested, and be deported, the security to be confiscated.

The immigrated alien is not the only alien required to obtain the landing permit. According to section eighteen of the Bill a domiciled alien is also required to secure the landing permit from the immigration officer. The fee for such permit has not been fixed. Probably it will be less than that paid by the immigrated alien. The permit must be renewed every two years. When an alien applies for a permit or for renewal the immigration officer cannot refuse to issue it to him, unless he belongs to the prohibited class. Should the immigration officer unwarrantedly refuse, the domiciled alien can appeal to the Governor in council. The authority, however, is given the right to cancel the permit, if after enquiries, it is found that the alien is (1) unable to support himself or his dependents, (2) a pauper or a person depending on alms, (3) A person expelled by another Government, (4) a prostitute, (5) a person suspected of sedition or dangerous to the peace and order. Any domiciled alien who has not obtained the permit or is refused by the authority to renew same shall be arrested and be deported to his native place.

Certificate of Residence

Besides, according to section 21, any alien who has resided in the colony for a period not less than ten years may apply for a certificate of residence. Such certificate is valid until the death of the bearer. The Governor in

council, however, can after enquiries on grounds of public safety and welfare cancel such certificate. Any person whose certificate is cancelled, can without a warrant be arrested and detained to be deported, for he is then considered as an undesirable alien without any further right to remain, though he may have been domiciled there for years.

No Necessity for New Regulation

As stated in the second paragraph the main object of the Bill is to regulate the admission of aliens in accordance with the political, social and economic needs of the country. Unfortunately, the above considered provisions prove that the legislators have gone far beyond the avowed purpose. In these times of depression in Malaya brought about by the fall in the price of rubber and tin, we have to concede that the Malayan Government has a right to regulate the admission of aliens. For the purpose of coping with this situation various ordinances have already been passed. At present the number of immigrant Chinese laborers admitted to Malaya from the four ports in South China, namely Amoy, Swatow, Hongkong and Haikow has been limited to one thousand per month. In addition, thousands of unemployed Chinese have been repatriated either by the Government or by charitable organisations. Hence the number of Chinese laborers will inevitably decrease so long as depression continues. It is therefore questionable whether there is any necessity for another Bill such as that passed. Granted that the Bill is necessary not from the point of view of limiting the laborers but from the right of a country to legislate whatever law it desires, it is still questionable whether it is wise to adopt such a bill especially in these hard times when nobody knows when Malaya will return to its former prosperity, and when retrenchment is the watchword for the Government. It is true the immigrated alien is required to pay only $25, which sum is far less than that required by other countries, e.g. in the Dutch East Indies and in Siam the Chinese immigrant is required to pay 150 guilders and 45 ticals respectively. This small sum will not be a burden on the immigrant. On the other hand it can be used to defray the expenses necessary for the regulation and control of the aliens. Probably an excess amount can be realised to cover the sum spent by the Government in repatriating the unemployed Chinese during the last two years! But the Malayan Government has forgotten that the majority of the Chinese immigrants are laborers, who have contributed the greatest share to the development of Malaya. If henceforth they are required to pay $25 for landing fee, they will naturally demand higher wages, which will mean an increase in the cost of production. That eventually will because a great blow to the Malayan industry which still depends very greatly on the Chinese laborers—whose services cannot at present be advantageously replaced by Malayans, Tamils or other Indian laborers.

It is inexplicable why the domiciled aliens are required to obtain permits and residence certificates. It is said that this will help to maintain the order and peace of the country and to regulate and control the residence of the aliens. This contention is hardly tenable. The order and peace in Malaya is as good as, if not better than that of other countries. The Chinese in Malaya are generally law abiding. They have very seldom caused commotion and unrest. There are of course bad characters. These black sheep can be found in any society. They can easily be got rid of by the Government as provided by the banishment laws. It is therefore unjust to so treat the whole number of aliens simply because there are a few undesirables. Besides, the majority of the Chinese are either illiterate or of a low literacy. If the provisons are to be strictly enforced, and all the domiciled aliens required to report and obtain permits and residence certificates, the greater number of them will be prosecuted. Most probably nine out of ten will be deported, for according to English law, ignorance of law is no excuse, (ignorantia non excusat). What hardships and injustice will it bring to the industrious and peace loving Chinese! This will eventually create grievance and discontent, thereby affecting the existing good order and peace of the country.

Too Wide a Scope of Control

It has also been said that the requirement of registration for domiciled aliens is to distinguish them from the immigrated aliens and to save them from paying the $25 landing fee when returning to Malaya after leaving it. If this true, it is indeed a benign act of the Government. But the provisions show that this is not true. The ulterior motives of the legislators is not hard to arrive at when one recalls the provisions conferring the power on the immigration officer and the Governor in council. Those provisions give the authority not only too wide a scope of control over the aliens, but virtually place the aliens at the mercy of the authority. In consequence of this, the Chinese aliens will always live in a state of apprenhension; for should an immigration officer be over-suspicious and over-zealous in his work of getting rid of undesirables, they will be arrested and detained on any of the grounds stipulated. Though they may rectify their wrongs afterwards, yet the expenses incurred will be great, and the ignominy brought upon them unaccountably great. Needless to say full confidence must be placed in the integrity of the officers, yet one cannot help anticipating such a contingency, when there is already on foot a movement of "Malaya for Malays." In fact this is not an over-apprehension. The bill really savors more of restriction than of regulation.

The effect of the bill upon the Chinese being so harmful it is but natural that the majority of them should be opposed to it. Under the present circumstances no one can expect the Chinese Government to take up negotiations with the British Government either for a rejection or modification of the bill. The proper and reasonable remedy is for the Chinese to petition to the Malayan Government and the Legislative Council for a careful and impartial reconsideration, as they constitute about one-third of the total population. As they are the most important and necessary of all the aliens, their voice should be carefully considered by the Malayan Government. Malaya has in the past been most lenient and fair in the treatment of Chinese. The Chinese in return have done their best in developing the country and in cooperating with the Government which has given them peace and comfort which they can hardly secure in their fatherland. Thousands have selected Malaya as their home without ever thinking of returning to China. They have also unselfishly and courageously answered to the call for service both in times of peace and war just as any loyal citizen would answer. Such a fine display of citizenship and admirable cooperation with the Government can hardly exist if the Government treats them on a different footing. Therefore for the future of Malaya will it not be more beneficial to quash the bill, so as to maintain the calm atmosphere and the long-established friendship? Even if the Government should consider it absolutely necessary to tighten the control over aliens, will it not be more conducive to the welfare of Malaya to frame the bill in such a way as not to place the Chinese aliens almost at the mercy of the authorities and not to impose so rigorous a penalty for any violation of the provision?

Singapore, October 1, 1932.

Bond Issue Proposed for German Steel Project

Interviewed by Chinese newspapermen at Nanking Oct. 13, Chen Kung-po, Minister of Industry, stated that the Government had decided to issue $40,000,000 worth of Treasury bonds towards financing the projected steel plant, using as security a loan of the same amount from the German Kondorfer interests. In compliance with the German request, he added, the repayment of the bonds would be guaranteed by the Central Bank of China. Mr. Chen intimated that some time was still needed to negotiate the details of the loan agreement with the German interests. Other reports stated that there was considerable divergence between the Chinese and German ideas on the subject of financing.

Patriotic Bodies Honor German Woman Journalist at Reception

Mrs. Dorothy Moll, the German journalist who brought gifts and greetings to the 19th route army from Germany, Colonel Oong Chao-wan, brigadier-general of the army, who is shortly leaving here for Europe to study aviation, and Chen Leih-wu, leader of 8,000,000 overseas Chinese in Siam, were guests at a reception at the home of H. C. Tam, 15 Jessfield Road, October 15. The party was given under the joint auspices of the China Aviation Institute, the National Salvation Federation, the Shanghai National Salvation Association, and the National Committee for Volunteer Corps in Manchuria.

English Woman Delegate Urges Ratification of Opium Convention

Mrs. Dugdale, English delegate, made an impassioned speech to the League Assembly at Geneva October 14, on the need for hastening the ratification of the 1931 Opium Convention, saying that it was essential that the League should not slacken its efforts until the traffic and manufacture of illicit drugs, which was now bringing untold degradation and misery to millions of fellow-human beings, was entirely stamped out.

Will Japan Triumph Over Russia and America?

(From the Review's Tokyo Correspondent)

(Continued from the Review, Sept. 24)

REPORTER: Granting that Russia has no real intention of going to war, it is nevertheless a fact that she has centred her strong forces in the Far East. Japan on the other hand has her troops stationed in North Manchuria. Under such a state a collision may happen any moment, eventually leading to warfare. The soldiers are excited.

Major-General Takeuchi: Yes, but, as Lieut.-Gen. Shioten has just explained, the Russian troops have begun taking self-defensive measures, prompted by their Japan-phobia at the overwhelming activities of the Imperial troops in Manchuria. The events now happening in North Manchuria due to concentrated Soviet troops near the borders, are not in accordance with instructions from Soviet Authorities, but are undoubtedly conducted by the free will of the troops. So, unless there happens something unbearably grave there is no immediate possibility of an act leading to war, I presume.

Reporter: A friend of mine who has recently returned from Manchuria says that quite contrary to what he had imagined he was surprised to see our troops full of vigor after the protracted hard work. This is what makes me anxious about a provocative attitude on their side.

Lieut.-Gen, Takata: In my view Soviet Russia has two weak points. The Five Year Plan is yet to finish, and there is economic unsafety throughout the country. This holds her back from dabbling with Far Eastern affairs. But the great ambition long cherished by the Slav Race might stake the fate of the country in the event of war between Japan and China or between Japan and America. While gloating over North Manchuria Russia is quite ill at ease for fear that she might lose Vladivostok. Surely, Vladivostok is nothing but a weak point to Russia.

Reporter: A certain German told me that even if the Japanese troops should step outside the Manchurian border and start collision of forces the Russian Government would order her combatants to quit action; it is also probable that it would willingly consent to Japan's proposal of a buffer-state. With this pusillanimous attitude of Russia in mind, the German continued we may do as we please. Will Russia really stand aloof?

Lieut.-Gen. Takata: In view of her slow motion at the start of the Russo-Japanese War she lost no time to gather as many as ten divisions of the army in the present case. It seems she has learned of late to forestall. She fears lest the Ussuri districts and Vladivostok should be taken away. This is not at all unnatural when we take into account our easy access to these places and the vital disadvantage on her part upon their being occupied by the Imperial army. Consequently in advancing troops in North Manchuria Russia should never forget to secure herself in the rear.

Reporter: Have the troops now stationed in the Far East moved from Europe or from Western Siberia?

Where the Soviet Troops Come From

Major-General Ito: They may not be the regular army but those of mobilized militia in Western Siberia, I suppose. The Russo-Japanese War was fought for the possession of Manchuria, but since it has come into our hands it would be against our national policy to contemplate stirring up unnecessary strife and stimulate enmity with the Slav Race when they meditate no revenge. I am inclined even to entertain entering an alliance with Russia.

Reporter: On the occasion of the outbreak of the Manchurian Incident Britain and America assumed an insolent attitude against Japan at the League of Nations, when some of my soldier friends held an idea of shaking hands with Russia to down the two countries. This offer of cooperation, however, she refused to accept before the actual strength of Japan was demonstrated, I am told.

Major-Gen. Ito: To shake hands with Russia, to associate with China for company's sake, and to be at daggers drawn with America are my own foreign policy. We can never loosen our tie with Russia, for, otherwise, the welfare of Manchuria and Chosen would be greatly menaced. If Russia should contemplate extending her influence toward the Indian Ocean Japan ought to tacitly "assist" her in her cause. We must not be a slave to our sentiment and quit the wanton presentiment of attack that would never be realized. Conditions in Russia have changed, so that what necessitated her to extend influence to the Far East now remains dormant. All what she has to do now is to protect her own country.

Reporter: I think it would be well for Russia to accede to any reasonable demand of Japan intended for bringing about peace in the Far East. Does she grasp this much?

Major-Gen. Ito: Yes, she does.

Reporter: Is it possible that America will challenge us?

Rear-Adm. Endo: Well, it depends upon her naval strength; she will hold back until she has more confidence in it.

Captain Sekine: When all the world has turned against Japan, she would never fail to stand up. In the event of the League's disapproval of Japan's righteosness, the American navy will come just as it did in the World War when it was a foregone conclusion that Germany would never come out victorious. So, we may invite a dangerous consequence if we are off guard.

Rear-Admiral Fukuda: Generally a war comes more often from sensational opinions of the public than from other causes, and it is difficult to forecast.

Captain Sekine: Yes, It does not necessarily wait until preparation is made. As in the occasions of the Civil War and the war between Spain and the United States, the stressed excitement of a nation will lead to war regardless of its war preparation.

Mr. Hirata: I agree with Captain Sekine in his view that the origin of a war is more often traced to sentiment and that it is absolutely unlikely that the United States will declare war single-handed, but in my view it is a question whether she will take up arms if Europe opens fire. Among countries in Europe it is Britain alone that can fight in the Pacific Ocean. But, seeing that the British navy is week-kneed, Europe will never or rather could never fight with Japan.

Commander Oka: I am of the same opinion in that Britain as well as other European countries would keep herself safe from the war turmoil. A certain writer quite at home in Oriental affairs publishes in a Shanghai magazine his idea stating, "I hear that the League is in favor of effecting economic blockade against Japan; this action of the League, however, is dependent upon the real strength of the Japanese navy. Considering the superior strength it now possesses it is not an easy task for the League to translate into action the design it may formulate. Instead of boycotting Japan it may invite an unexpected result of being boycotted by Asia." I quite agree with him. Not only Britain but all the countries on the European Continent have no more fighting spirit in reserve.

Mr. Hirata: You are quite right.

Commander Oka: Conditions will change when they make light of Japan.

Japan Must Be Prepared!

Captain Sekine: Yes. That is why we must not be careless and unprepared. I often advise my friends of the Foreign Office that the first essential is the guaranteed safety, and for want of this the country may meet an unlooked for crisis. For want of this guaranteed safety Germany lost in the war; she took it for granted that while Ireland was disturbed Britain would not join the war and the slowness of Russian mobilization would allow her ample time for the occupation of Paris. This rough estimation of Germany was all frustrated.

Mr. Hirata: In my view the condition has since been completely changed for Britain, and it is out of question that she would act in the same way as she did at the time. What I want to call more attention to is Russia. I am sure the army has completed its preparation against the country.

Reporter: I cannot quite understand the rumor that the American navy is so weak. It cannot be really so weak I guess.

Commander Oka: The Japanese navy has advanced tactics and gunnery.....Not only Yama-to-damashii but our ability as well as the superior efficiency of machines will help us emerge victorious. The gunnery of our navy..Oh, I am going too far (all burst out laughing).

Rear-Adm. Endo: Moreover, the voyage of over 5,000 nautical miles would fatigue both ships and the crew,

Captain Sekine: If I place myself in the position of an American sailor, I could not quite make out what I was going to war for. Even though I might be filled with preachments by superiors as to how it was unreasonable that Japan occupied Manchuria, I would consider it quite foolish to lose my life in the battle brought on by a land quite unfamiliar to me. Indeed, the idea that I am going to lay down my life for the sake of chin, chin, Chinaman!

Rear Adm. Endo: Surely, the American navy would lose its tense spirit during the expedition.

62-365

The "Outside Roads" Controversy in Shanghai

BY C. Y. W.MENG 孟長祐

FOR a considerable length of time, negotiations have been going on between the Municipal Government of Greater Shanghai and S. M. C. (Shanghai Municipal Council) of the International Settlement over the so-called "outside roads" problem. It was reported that a draft agreement had already been reached between the two parties. But another report had it that the draft agreement was referred to the State Council in Nanking for consideration, and in the course of discussion, some members of the Council raised many objections to the plan put forward. It was also reported that the Japanese in Shanghai, through their representatives in the S. M. C., had presented many demands to the S. M. C., one of them being the appointment of a Japanese to be the assistatant police commissioner controlling the outside roads, when they are taken over by the Chinese authorities. (According to the draft agreement, the police commissioner is to be Chinese and the assistant police commissioner should be a "foreigner") Apparently, the Japanese demands have marred the progress of the negotiation.

"General Principles"

We are reliably informed that at the beginning of the negotiations, the Ministry of Foreign Affairs laid down some "general principles" for the "outside road" negotiation, and instructed the Municipal Government of Greater Shanghai to conduct the negotiations with the S.M.C. in accordance with these "general principles". The following are said to be the "general principles":

1. In principle, the Municipal Government of Greater Shanghai should have control over the "outside roads".
2. If possible, the Chinese police law should be enforced.
3. The powers of the assistant-police-commissioner (foreigner) should be limited.
4. The S.M.C. may be allowed to collect taxes on the outside roads, but the tax rates should be the same as now being enforced by the Municipal Government of Greater Shanghai throughout the Chinese territory.
5. The Municipal Government of Greater Shanghai may entrust the S.M.C. with certain duties. In discharging these duties, aside from making reports, from time to time, to the Chinese Municipal Government, the S.M.C. should always discharge its duties in accordance with the wishes of the Municipal Government of Greater Shanghai.

Apparently, the above "general principles" had the approval of the Executive Yuan.

"Reconsideration" Ordered

We are further reliably informed that the draft agreement entered into between the representatives of the Municipal Government of Greater Shanghai and the S.M.C. failed to embody the general principles, Nos. 1 and 5. For this reason, many objections were raised in the meeting of the State Council. Some members pointed out that Nos. 1 and 5 are the most important ones of all the general principles; and insisted that they should be clearly embodied in the agreement. As a result of the objections raised, the Executive Yuan ordered the Municipal Government of Greater Shanghai to "reconsider" the agreement, meaning by this is that the draft agreement should be so amended as to embody all these general principles laid down by the Ministry of Foreign Affairs.

We are also informed that the S.M.C. is likely to yield to the Japanese demand that only a Japanese should be appointed as the assistant police commissioner in the future, and it is also reported that the Chinese authorities would also agree.

Some Outstanding Facts

While we appreciate the efforts of the Chinese authorities in attempting to settle one of the outstanding problems between the Chinese and foreign authorities in Shanghai, in taking back the "outside roads" from the hands of the S.M.C., we desire nevertheless to point out the following outstanding facts:

To those who are not familar with Shanghai affairs, it must be pointed out that the so-called "outside roads" all lie outside of the Settlement limits; and in some cases, they extend many miles into Chinese territory. For this reason, they are called the "outside roads." When the authorities of the S. M. C. began to construct these roads, they never sought the approval of the Chinese authorities, but went on with the construction works, probably regarding these country districts as "newly found land" to which the S. M. C. was entitled. For one reason or another, the Chinese authorities also failed to protest.

These "outside roads" were constructed undoubtedly partly for the future extension of the Settlement, and partly for the benefit of the foreigners in Shanghai, who would then be able to drive their motor cars to the country places for pleasure. The foreign realty companies in Shanghai lost no time in purchasing as much as they could, of the land along both sides of the outside roads, and put up residential buildings to be let out at high rentals. Due to the congestion within the International Settlement, many people prefer to live in the houses along the outside roads.

The Settlement police are now patrolling the outside roads, but it is not unusual to see the police from the Municipal Government of Greater Shanghai also patrolling on the same road side by side with the Settlement police—a situation for which there could never be a parallel in any other country under the sun!

Only a Question of Compensation

From the above, it is clear that the Settlement authorities did the construction works which had converted a large strip of country land bordering the International Settlement into modern residental districts. But, whatever they may claim, the territory is Chinese. The construction works undertaken by the S. M. C. may entitle the S. M. C. to some compensations but no other privileges should accrue to them. So, in the course of the negotiation over the outside roads, there is one and only one question to be discussed—that is, the question of the amount of compensation which the Chinese have to pay to the S. M. C. for the construction works. Aside from this question, there should be no other question raised which should have caused any delay in concluding the negotiations. The territory is purely Chinese territory. It should be under the Chinese jurisdiction and control; it should enforce only the Chinese police law; it should have only the Chinese police to keep order and maintain order. This is just as simple as to say 2 plus 2 is equal to 4.

As soon as the amount of compensation to be paid by the Chinese is agreed upon, and the Chinese are willing to pay, that should be the end, once for all, of the so-called "outside roads" controversy in Shanghai. It is wrong for the Settlement authorities to put up any other conditions for redemption of the roads. It is very wrong if the Japanese still further "muddle" in the negotiations by presenting various demands.

Foreign Police Commissioner Not Necessary

The appointment of a foreigner as the assistant police commissioner, from our point of view, is by no means necessary; and if it is enforced, it would only be a source of future conflict. But as reported above, the S. M. C. is likely to yield to the Japanese demand for the appointment of a Japanese to be such, and it is also likely that the Chinese will agree. The situation afterwards would be somewhat as follows: the S. M. C. and the Japanese would agree on the police commissioner, and the Chinese authorities would merely affix their signatures on the document, as a matter of formality. That is to say, the appointment of the assistant police Commissioner "by the Chinese" which might be provided in the agreement is only in name—not in fact!

The appointment of a foreigner as an assistant police commissioner, as pointed out above, is obviously "unnecessary." The appointment of a Japanese as such, not only creates a "dangerous precedent," but leaves many possibilities for future troubles. At present, the Chinese can get along alright with all foreigners, excepting the Japanese. The northern part of the Settlement, including the Extension of North Szechuen Road and Kiangwan Road, etc., where most of the Japanese have taken up their residence is already a trouble-making center between the Chinese and Japanese. If a Japanese were appointed to have control over these "roads" one can easily imagine that more troubles of a serious nature are bound to come. If a foreigner is necessarily to be appointed as such, we should prefer the appointment of a foreigner of different nationality other than Japanese. Furthermore, the appointment should be solely in the hands of the Chinese authorities, having nothing to do with the S. M. C.

Lastly, among the five general principles, the fourth one deserves a few words of comment. It permits the S. M. C. to collect taxes on the outside roads, the only condition being that the tax rate should be the same as that being collected by the Municipal Government of Greater Shang-

(Continued on page 343)

62-366

Economic Blockade Preys on the Mind of Japan

(From the Review's Tokyo Correspondent)

(The following are translations from various Japanese publications)

Can China Effect Economic Blockade?

THE economic relation between China and Japan is best studied from their trade relations. Excepting Manchuria, nearly 40% of our foreign trade is occupied by our China trade. Consequently, it would be a great blow to our economic stability if by an anti-Japanese movement or boycott our commercial relations with China should be cut off. In consequence of the sharp depreciation of silver, the unprecedented flood that devastated the Yangtze Valley, and the outbreak of the Manchurian Incident, the result of the returns for last year shows marked decrease both in export and import, that is, 16.7% less in import and 38% decrease in export as compared with the previous year. Formerly, it was an invariable custom in our China trade that before and after the boycott period a considerable business was done, offsetting the decreased volume during the period. Thus our China trade was generally free from the influence of the boycott. However, in addition to the untold drop for last year other awkward figures are feared for the present year.

The anti-Japanese movement and boycott of Japanese goods were formerly connected by political necessity but later they have come to be spurred on by some economic reasons and intensified in nature. Besides this tendency what we should bear in mind is that the match and soap trade in China which we once monopolized, has been swept away from the market in consequence of the improved home manufacturing industry of the country and of the encouragement by the Kuomin Government to use home manufactures. China has come to realize that she is now a great rival. It is nevertheless, premature to decide that China is placed in a safe position to boycott all Japanese brands, because although by so doing she might be able to purchase British or American makes in place of Japanese manufactures as far as luxuries or goods of elaborate workmanship, are concerned, no other country would provide such cheap necessaries as are supplied by Japan. I think everything economic depends upon the stability of the Government, or in other words, as the political stability is left unassured a phenomenal improvement in national economy is denied China. The fact that the industry of the country has been making yearly improvement in the face of such chaotic political conditions, is worthy of notice. One may think of China's severing all her commercial relations with Japan in safety, but the fact is that she would suffer from the attempt far more than would Japan. It seems the anti-Japanese agitation has struck deep root in Shanghai due to newly created anti-Japanese organizations. This, however, may be limited to this section of China and of temporary existence. It is impossible for China to really determine to resort to bottling herself up economically with the hope of preparing herself to face the worst. (By Hitoshi Ohnishi, head of the China Dept. of the Tokio *Asahi*.)

Can America Practice the Blockade?

It was in January and February of this year that a rumor was afloat that the economic "bottle up" might be resorted to by America in connection with the Manchurian question. But the talk has died away like a dream. Those who support the suggestion in America are all stupid, insincere persons, and the idea is made light of among the thinking class and politicians in the country.

It is a question whether or not the economic blockade can be really applied. It appears to me impracticable for the following three reasons: Firstly, the perfect severance of economic relations with Japan would be possible for America only when all the rest of the world cooperates with her. Japan would experience little inconvenience through her economic rupture with America. When all the world is writhing under suffocatingly dull business, to isolate Japan from the world's economic arena is only to worsen the condition. America would be sure to fail to induce the others to cooperate, in which case she would most probably quit the idea of running the hazard single-handed. Secondly, the economic blockade against Japan pre-supposes war, but from all appearances the American authorities entertain no idea of opening war with Japan. Even granting they do, the people would refuse. The Manchurian question has no direct bearing upon the United States; it is as it were a fire in a remote place. The sagacious American people would never let their precious warships sink off the coast of the Bonin Islands. Thirdly, the steps taken by her would only serve to encourage Japan's further advance to Manchuria, and Japan's continental policy would also be stimulated thereby. It is with the object of restraining the Japan's advance to Manchuria that the United States threatens Japan with the economic blockade. The result, however, would be the reverse. There is nothing more nonsensical. I am sure America is wiser. (Katsuji Inahara, adviser to the Tokyo *Asahi Shimbun*.)

Is Economic "Bottle-up" Really Practicable?

Dr. Ken-ichi Abe, Professor of the Waseda University and a noted critic on economics, stated in his interview with a *Hinode* reporter:

Reporter: The people are now anxious about the serious blow to the economic condition of the country in the event of her political deadlock in view of the atmosphere to be created in the League. What is your opinion?

Dr. Abe: Japan, the League, and other League members will do what they like; Chinese fair-spoken diplomats launch manoeuvers. Those who are displeased with Japan's aggrandizement may contemplate something.

Reporter: Does it mean economic blockade prior to war:

Dr. Abe: You may be right. But think of the loss sustained by both parties as a result of trade rupture between them. As in the case of relations between money-lenders and borrowers both would lose.

Reporter: Then, in resorting to economic "bottle-up" against a country they are doing the same against their own, aren't they?

Dr. Abe: What, if America should discontinue buying raw-silk and Japan stop importing cotton? The American textile industry would throw 300,000 hands out of work. Granting that the material be supplied by other countries, the loss to the industry would be great. In view of the smuggling of arms during the European War the human greed for money must be satisfied at all times and places. What Japan really wants would be supplied by those money worshippers by some means or other. Especially the minor member states of the League would after all not dare to invite Japan's emmity for what concerns them very little.

Reporter: What would follow if the measure was carried out?

Dr. Abe; Firstly, it depends on the ties between member states; secondly, on the methods applied; and thirdly upon the period.

If for instance the methods were full of defects, the military strength of the League weak, and the period short, the blockade would surely end in a temporary recreation---but, if all these things happened to be the reverse, a grave consequence would be the result.

Reporter: What then, is the effect upon the national life?

Dr. Abe: It greatly affects the spirit of the people. The national economics and nation's life would receive an unbearable blow, and unless they exercise great fortitude everything would come to a standstill,

Reporter: How would they carry out the blockade?

Dr. Abe: There are many ways. The most interesting of them may be that in which the allied forces challenge us. Supposing the allied forces are despatched as observers to see the measure carried out effectively, a conflict between them and our vanguard may be inevitable, which would lead to warfare. When all things are considered we cannot think of perfect economic severance unaccompanied by a war. Consequently, therefore, your question conincides with what would be the influence of a war upon our national economics.

If Economic Relations with America Are Severed

If a war break out between our country and the United States, what would be the effect on our economic life? First of all the shortage of food-stuffs might be felt because even in ordinary times we have to rely for our daily necessaries upon countries abroad. Yet, we have China, South Sea Islands, and India, where we might look for them, provided our naval power could cover all these directions. We might also be able to connect with European countries by means of the Siberian route though it depends upon our relations with Russia at that time. A want of space prevents my going into detail so I treat only of our relations, with Manchukuo and China.

Manchukuo contains almost unexhaustible amounts of iron and coal, which constitute the most important material for any industry. Also it abounds in metallic and non-metallic minerals, and it is even said all kinds of industrial material except lead, rubber and a few others, can be had there. The food problem, which worries us most, can easily be solved by Manchuria and Mongolia. The encouragement and development of diverse industries in these territories are indispensable in view also of our national defence. Added to these fortunate realities, Manchukuo is very advantageously situated adjoining Chosen, and on the morrow of the completion of a few railways and of harbor works of one or two ports, safety of transportation between the two countries will be assured. If, therefore, these enterprises make steady progress there is no need of taking notice of the much discussed economic blockade: the people may sleep in peace. To do this the united efforts and unselfish endeavor of the nation is the first requisite, for if left in the existing state the unique resources would be of no use in case of emergency. The actual state of things in our country demands our united endeavor toward converting the territory into the treasure of our country. In my own view our industrial Manchurian policy should be something like the following:

1. Our industrial policy must be placed upon the basic principle of "give and take."

2. In view of the fact that the continued excess of our import over export is the result of our purchasing material for industry and general food-stuffs, instead of relying on the distant countries for these national necessaries we should in future seek for all these in Manchuria while converting the vast area into a market for our manufactures.

3. In order to prevent Manchurian industry from oppressing our home industry, no works for refined articles should be encouraged there.

4. As already internationally pledged, the open-door policy should be strictly adhered to. Naturally, we must be prepared to successfully meet rivals utilizing the geographical and other advantages with which we are favored.

5. The economic management of all the industrial enterprises excepting those of special nature, should be done on the basic principle of non-interference. We often hear of the application of economic control, but it is not a wise policy to treat such a backward region as if it were a fully developed capitalistic country although as to its special industry a proper control may be required.

6. Foreign investment is welcome, but as far as is possible Japan must herself try to serve as the go-between to carry on the business as a joint-undertaking.

Our trade with China Proper is regarded no less important than that with Manchukuo. When friendly relation between the two nations is the pressing need of the day for peace establishment in the Far East, we regret it has completely gone on the reef, and judged from the existing conditions no improvement can be hoped for even if all the anti-Japanese organizations be quelled. If this regrettable state of affairs were predestined we would patiently forbear it. Since, however, we believe the contrary is the case we sincerely hope for their return to former, good neighbors, and trust that when their disturbed sentiments regain normality everything must be smoothed away to the complete satisfaction to both concerned. (By Dr. Ujiro Ohyama, a popular critic on politics).

Economic Blockade Is the Beginning of War

The war viewed as an objectivity is a fact of necessity. It often transcends the conception of calculating politicians. If, therefore, the arrival of a war is an inevitable destiny imposed upon the nation, it ought to fight it out whatever sacrifice it may have to suffer. The result of the war, being dependent upon numerous conditions before and after its outbreak, does not allow handy speculations; according to its scale and scope, the opponent and its period, the influence upon the national economy and industry take different aspects. Not only its international relations but also its internal conditions will suffer due change in accordance with the progress of the war. The effect this change has upon the national economy must often be extremely delicate and complicated. To recklessly diffuse optimistic views without giving due considerations to such a complex effect or studying the conditions under which the war-time economy should be formed and developed, is not what thoughtful people ought to do.

A certain critic, to cite an extreme example, regards the economic blockade as a simple severance of international trade, and basing his estimation of the war-time economy on such erroneous conception and on the relation of supply and demand in ordinary times, declared that the people need not be pessimistic over their national economy in war-time. How careless is his utterance!

Granting that the bottle-up be effected to the letter, who in the world would be contented in sacrificing his existence? Evidently he would put to test his real merit in order to conquer the persecution, and in consequence of which the outbreak of a war is inevitable. This course is as clear as day. Hence there can be no economic blockade which does not presuppose a war; if there be, it would either be an unfounded nonsense or a mere propaganda. An effective and thoroughgoing trade severance can never be practised free from the outbreak of a war as a never-failing accompaniment. Moreover, unlike in the case of an ordinary war where there are neutrals or friends, in this particular case all the world becomes a united enemy, which is the worst possible condition for a warring country.

From these arguments it follows that it would be nothing but an adventure to forecast the war-time economy of our country. Neither the optimistic views nor the pessimistic arguments now discussed are, for the reasons stated above, worth serious attention. Only I suggest that complete preparation with the worst circumstances in view is what is required of the nation.

It is well nigh impossible, as already stated, to give a concrete idea as to the altered economic conditions of a country in war-time, but if I venture to sum up the influence of a great war upon our national economy, it is divided into the following three sections,

1. Stimulation which the war gives to munition industry: For the establishment of a munition industry all the other munufacturing industries must be prepared to suffer temporary suspension. The most important questition placed before us is the supply of material for war industry. As for technical knowledge and management Japan may be said to be well qualified, but the question of material supply would cause no small difficulty. Although I refrain from describing here what kinds of material would prove insufficient in time of war, it is a duty incumbent upon the Government to make complete preparations on this point. I do not disagree with a certain critic's assertion that it is only diamond that is not produced in Japan, but the question is the amount rather than the kind.

2. A blow to main industry: Studied as a modern war it is most dangerous that in consequence of the decline and collapse of the home staple industry the nation's economic power becomes enervated and the people are deprived of their calling. This is especially the case with our national condition. Needless to mention, the foundation of our national industry is organized by agricultural and fiber industries, and when in time of war the munition industry makes a sudden rise the influence they suffer must be enormous. To make the matter worse, these principal industries find the outlet of their products in foreign trade. A similar thing can be said of the other manufacturing industries such as wool, rubber, paper, flour, and textile. Should these industries lose their source of supply of material or market, not only would it cause inactivity of such industries but would diminish the nation's productive power, which is destined to create am inundation of jobless, resulting in the decay of the national economy. Strange to say, however, while being placed face to face with such a crisis not a few of the enterprisers hold undue optimistic views. They may point out the material now in stock is sufficient for another year or so or that the countries which have to discontinue selling might be equally inconvenienced. It is nonsensical, however, to hastily decide the period as one year or thereabout, and it is still more so to look at the difficult situation of opponents. We have much to learn from the Cotton Control Board established by the British authorities during the Great War. Indeed, how to protect the principal industries in war-time is of paramount importance.

3. Influence on consumption ecomony: What requires the nation's most careful attention among various war effects upon national economy is that on the comsumption of the people. We can safely assert that the cause of the defeat of Germany in the European War lay in the depressed spirit of the people in consequence of continued insufficient supply of food-stuffs. The war-time industry, inflation accompanying the raising of war funds and several other emergency economic measures will send up prices of daily necessaries and as a result the daily life of the people will be extremely incovenienced. To prevent it, strict and stern control and management by the state is imperative, as, for instance, in the case of the state control of national economy conducted by the German Government in December of last year. (By Nobuo Miyajima, who occupies an important position in a bureau of the Cabinet.)

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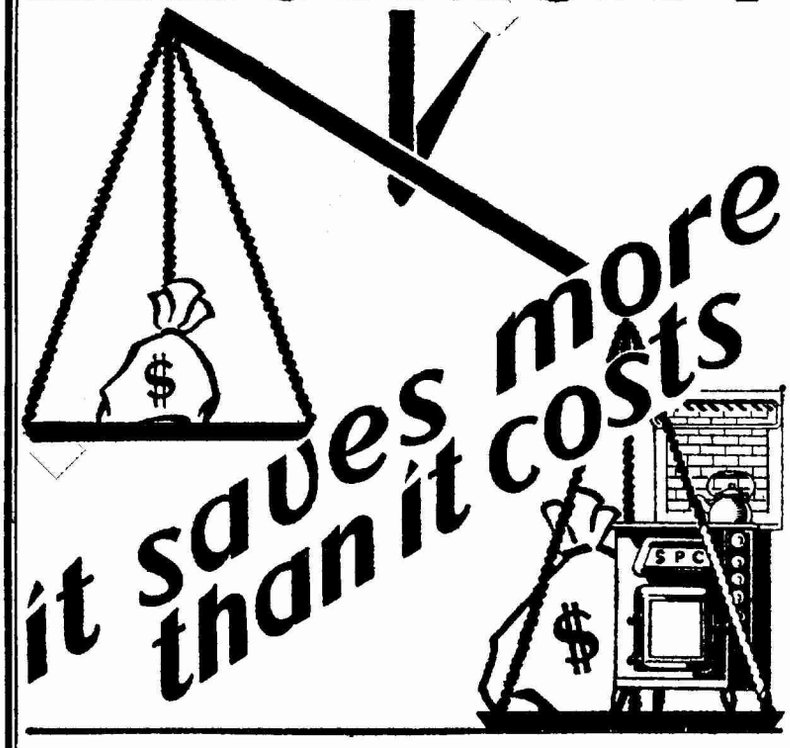

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62-369

Japanese Propaganda, Journalism, and History

BY HARRY PAXTON HOWARD

OF the unending stream of books which are turned out about Japan, there are a few that have real merit, and are worthy of note, being written not by "six-weeks experts" or well-meaning but ignorant tourists, but by men with some acquaintance with their subject. Of the books written in English by Japanese, there is a general division into propaganda books, aiming to create a "favorable impression," and non-propaganda works.

The collection of papers on "Western Influences in Modern Japan," published by the University of Chicago Press,* is an interesting combination of studies, some writers being clearly propagandist and others being quite honest and competent in their respective sphere. It consists of a number of essays originally intended for the delegates to the Kyoto Conference of the Institute of Pacific Relations, and at first issued as pamphlets. The name of Inazo Nitobe, which appears on the cover, sheds doubt upon the nature of the book at once, Nitobe being notorious as the professed Christian and pacifist, associated with the Japan Peace Society and other camouflage associations, who has defended, in the name of "liberalism" and "pacifism" (not to mention Christianity), every one of Japan's wars and seizures of foreign territory. He is futher of note as the inventor of Bushido, which he manufactured out of the whole cloth some twenty years ago (probably being the inventor even of the name), in order that he could have a "code" to speak of in his propaganda work.

Informative Work

In spite of this unsavory connection, however, the book contains some essays of value and interest. One of the most interesting for persons interested in languages is Prof. Ichikawa's essay on "Foreign Influences in the Japanese Language," giving an idea of the striking infusion of foreign (almost wholly English) words into the Japanese language in the past decade or two. There are several thousand English words now a more or less accepted part of the native tongue, and Ichikawa remarks that he counted more than 1,400 such words in newspapers and magazines in the course of a few months.

"The Education of Women," by Ai Hoshino, is another interesting essay. It is striking to note that in Japan, where women's suffrage is already gaining the serious attention of statesmen and legislators, there is no co-education above the elementary schools, there being special middle schools and colleges for girls and women.

An excellent summary is that on "The Economic and Industrial Development of Modern Japan," by the late Junnosuke Inouye. This outline of Japan's economics and finance, and their historical development, is a really worth-while essay, showing the government leadership in the new economic order, and the stage reached to-day. Among other things, it may be noted that Mr. Inouye points out that "the farmer's income is gradually decreasing because of the ever growing population and increase in the number of small farmers."

The Social Movement

Junshiro Asari, Director of the Tokyo Office of the International Labor Office, writes on "The Development of the Social Movement and Social Legislation in Japan." While his viewpoint is of course cautious and moderate, he is quite fair, and his outline of things accurate. He deals with the various socialist movements, the labor unions, the tenant farmers' unions, and the labor and peasant parties formed in cooperation with different groups of Socialists and Communists, also with the development of labor legislation in Japan, and with consumers' co-operation there.

Informative articles cover Communications in Japan, The Railways of Japan, The Japanese Army, and The Japanese Navy. It is interesting to note from the last-named article, by Captain Mizuno, that the overthrow of the Tokugawa forces at Hakodate by the Imperial forces was "due entirely to the one ironclad vessel" which the latter possessed, which though ordered by the Tokugawa regime had been turned over by the American government to the Imperial regime which had established itself at Kyoto and later at Tokyo, so that the American government was immediately instrumental in the final overthrow of the Tokugawa feudal regime by the Imperial forces.

Another interesting study is that on "Sports in Japan." It will come as a new thing to many to learn that athletics and games are compulsory in Japanese middle schools, also in government colleges, a thing which helps Japan tremendously in international competition. The articles on music and art will be enjoyed by persons interested in these things.

Propaganda and Misrepresentation

Of the other articles in the book, some are rather inadequate and others are pure propaganda. The most glaring example of the latter class is perhaps Shinobu's "Diplomatic Relations of Japan," which is simply special pleading for Japan's imperialist "rights and interests" in Manchuria and elsewhere, and gives nothing whatever about Japan's diplomatic relations with France in recent years, or the 1928 negotiations with Britain.

As for rank dishonesty, however, the article on Japanese Journalism by Bunshiro Suzuki, representing the leading newspapers of Japan as "great political and social agencies, generously devoting their resources to the good of the people," as being "independent and potent," and with "weight and influence as an organ of public opinion," undoubtedly takes first prize. Worst of all is the quoting of a keen foreign observer in a sense opposite to that intended by the writer quoted, as when Suzuki takes this excerpt from Wildes' "Social Currents in Japan"* to confirm his own position:

> "Most Japanese, interpreting their nation to the outer world, agree in stating that the press should be regarded as the influential factor working towards improvement in social and political conditions. Foreign visitors are certain that the native journals have provided the dynamic impetus for the coming democracy, while Laiput Rai goes even further to contend that Japanese newspapers are of 'greater power, perhaps, than the American or English press'."

The quotation stops right at this point, and Suzuki does not go further. But the next sentence in Wildes' book is, "But foreigners of longer residence are skeptical that this great influence really does exist." Wildes goes on to quote both Japanese and foreign journalists in evidence of such skepticism, and serveral prominent Japanese publicists (as well as the Japanophile Captain Brinkley) to the effect that "no class of men is regarded with more abhorrence and contempt" in Japan than editors. "Dr. Ukita once wrote that it is no more possible to find a moral journalist than to find a moral burglar. Sometaro Sheba, of the *Japan Times*, and Mr. Matsui, the editor of *Yamato*, are agreed that present-day newspapermen possess no sense of self-respect." Among Japanese newspapermen, "as a source of private revenue blackmail is evidently not uncommon." All these things, and Mr. Wildes' conclusions, are *not* quoted by Suzuki. We submit that to rip a paragraph from its context, and use it in a directly opposite sense from that intended by the writer, is the most utterly contemptible bit of dishonesty imaginable, whether done by a Japanese, an Englishman, or anyone else. Mr. Suzuki is a suitable collaborator for Mr. Nitobe, the avowed "pacifist" who invented Bushido and extolled the military ideals of the samurai.

The Japanese Press

The book referred to, Harry Emerson Wildes' "Social Currents* in Japan," is a most valuable study of the press of Japan, both in its historical development and its present status. It is of special importance at the present day, when the activities of the Japanese military and their political valets call for such consistent and persistent misrepresentation of the news (as in other countries in war time, it must be added) in order to keep public support among a people terribly overloaded with military

*Western Influences in Modern Japan. A Series of Papers on Cultural Relations. By Inazo Nitobe and Others. The University of Chicago Press, Chicago. December 1931.

*Social Currents in Japan; With Special Reference to the Press. By Harry Emerson Wildes, Ph.D. University of Chicago Press Chicago. 1927.

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20th Year Rolled Tobacco Tax—4th Issue	902,705.01
Chinese Government 5% Gold Bonds 1925	300,780.63
National Government 17th Year Rehabilitation 8% Short Term Bonds	1,539,157.37
Chinese Government 6% 1928 Gold Dollar Boxer Bonds	86,848.05
18th Year Troop Reorganization Bonds	248,450.88
SIAMESE 6% STERLING LOAN 1924	68,194.50
FIXED DEPOSIT—HARBIN	200,000.00
REAL ESTATE	7,681,941.48
MORTGAGES	2,958,528.39
LOANS TO BONDHOLDERS AGAINST THEIR BONDS	19,688,751.98
	$53,268,859.51

burdens and facing the darkest of futures through the very "successes" of Japanese arms.

There is great temptation to quote paragraph after paragraph from Wildes' most fair, scholarly, and informative work, but limits of space forbid. The table of contents must serve in place of quotations: The Culture Clash of East and West; The Press Seeks Freedom; Press Tendencies; The Anti-Alien Tide; Censorship and Extra-Legal Supervision; Safeguards against Radicalism; International News Agencies; Correcting Misconceptions; Creating a Pleasant Impression; Interpreting Japan to Foreigners; The Friendly Foreign Press; The Japan Advertiser—America's Newspaper; Libeling the Japanese. Mr. Wildes adds a useful bibliography and appendix. Most important of all is the fact that throughout his book he quotes direct authority for every statement made, making it a most reliable and valuable study and reference work.

Japanese Criticism

Incidentally, such a work should make outsiders judge less harshly of the Japanese common people. When it is realized how utterly their news sources are poisoned by those in power, the blame for their acts must rest upon the powers that be, not upon their tricked and betrayed dupes, most of whom honestly believe that Japan is fighting a war of self-defence at the present time. Some quotations already made indicate what an utterly corrupt and venal lot most Japanese journalists are. Wildes further notes that

> "The Japanese themselves are far from satisfied with the quality of their press. For years their criticism has been bitter. The major faults which they believe to underlie the press may be briefly summarized: (1) A lack of public spirit in seeking to correct injustice. (2) An unprincipled willingness to garble or manufacture news, or to accept reports as true without seeking to verify the rumors. (3) A reckless sensationalism, both in unimportant domestic affairs and in the gravest matters of international relationships. (4) A morbid preoccupation with sexual abnormalities, a love of scandal, and an inordinate readiness to exploit the most evil tastes.
>
> "These charges, first formulated by Yukio Ozaki, a prominent liberal and a former Cabinet minister, are not restricted to a small and unrepresentative section of the press, but are applied generally to the entire body of the press, from the tiny local sheet to the great Osaka journals of a million circulation. Japanese and foreigners alike concur in the appraisal, and a most remarkable phenomenon is the comparative scarity of articles or of speeches defending the press against attack."

(These paragraphs, strange to say, or not quoted or even hinted at by Mr. Suzuki in Nitobe's book.)

The "News" from Japan

An important section for us "outsiders" is that on "Correcting Misconceptions," showing how the news sent out from Japan is controlled. "Dependent for their news upon the maintenance of close relations with official bureaus of the government, neither *Reuter's* nor the *Associated Press* is likely to distribute news displeasing to officialdom." And even the "tiny group of foreign correspondents" which "affords the only avenue for truthful comment on Japan....also have been brought within the circle of 'official inspiration'" simply by withholding news from "unscrupulous" correspondents, so that whether through news agencies or special correspondents, the news from Japan "is now almost entirely in the control of men whose chief consideration is the spreading of encouraging reports about Japan."

In his otherwise excellent chapter dealing with the *Japan Chronicle*, Mr. Wildes regrettably fails to mention that the fundamental attitude of the paper is Liberal, and that its criticisms of certain bureaucratic, military, and other evils in Japan are criticisms which it brings against similar evils in Western countries. Without an understanding of this point, the *Chronicle* might indeed, at times, be suspected of being hyper-critical. Its attitude, however, is not one of foreign superiority, but of Liberal opinion and criticism on both Japanese and world affairs, and it is just this consistency and honesty which make the paper, in the opinion of many, the best journal in the Far East.

A History of Modern Japan*

The modern history of Japan written by the present editor of the *Japan Chronicle*, A. Morgan Young, is a most excellent work. No modern state is static; all present-day society is dynamic. And in order to understand what a country is, it is of vital importance to know how it came to be.

Mr. Young's book takes us through Japan's period of ephemeral greatness, when owing to the Great War Japan became the power of the Far East, a country wallowing in war prosperity and with its troops in control of great territories on the mainland of Asia, even including eastern Siberia, but with the inevitable and bitter conflict developing between the people who enjoy the prosperity and those who only bear the burdens, whether of militarism or of earthquake and fire.

This is not Mr. Young's interpretation of events, I hasten to add. Mr. Young's generalization on the reign of the Emperor Taisho (1912 to 1926), which his history covers, is a brief and non-committal one:

> "In this reign of fourteen years Japan witnessed changes no less remarkable than those seen in the previous reign. It proved to be one of unprecedented activity, of undreamt-of prosperity, and of overwhelming misfortune. The chronicler of the period has to record many grave errors; but....the brightest hopes arise from the blackest misfortunes."

The author, indeed, generalizes but little. His is, in general, a high-class journalistic history, carrying on from one subject to another in point of time, and with accuracy, keen observation, and intelligent interpretation throughout. The one real shortcoming of the book is its frequent omission of dates and more important—years. There is no chronological outline of developments, and when one attempts to use the book for reference purposes it is sometimes impossible to derive from it the year of some particular occurrence. But it is a most readable as well as reliable book, and written in a style which at times rises to the heights of truly beautiful English prose, as for example in the chapter describing Japan on the eve of the great War.

The Thought of Japan and China

For an understanding of certain currents in philosophical and social thought in Japan, as well as in China, Kyoson Tsuchida's book on "Contemporary Thought of Japan and China"** is of interest. Dr. Tsuchida, unfortunately, starts off with some gross though conventional misstatements which are not necessary to his theme and might far better have been omitted, as when he says that: "As a matter of fact, the Japanese Empire really was founded probably more than twenty centuries ago; and its form has never changed from the beginning up to this day." Though this is the conventional teaching of Japanese elementary schools, it is quite impossible that Dr. Tsuchida should be so ignorant of Japanese history as to believe it, and it is furthermore quite extraordinary that he should think the readers of a book of this kind so uninformed as to swallow this.

But passing over this conventional falsehood, which is most regrettable and seems totally unnecessary, one finds Dr. Tsuchida presenting an intelligent and liberal outline of Japanese philosophic and social thought in recent times, dealing with it first historically then as it appears at the present time. Much of the book is for the specialist, for example the three chapters on "Neo-Kantianism and Neo-Hegelianism," and even the chapters on social thought are obscured by special terminology. The author's viewpoint, for example, is clear enough when he says that "After all, in my opinion, the fundamental spirit of socialism is Service, and that of anarchism is Freedom." But he proceeds to supplement this by a statement that "the control in the socialist society should not be a merely formal and homogeneous one but one that is substantive and heterogeneous," and further informs us that in his opinion, the standpoint from which anarchist and socialist thought may be combined "is that

*Japan under Taisho Tenno, 1912-1926. By A. Morgan Young. George Allen & Unwin, Ltd., London, 1928. (American edition bears the tittle: Japan in Modern Times.)

**Contemporary Thought of Japan and China. By Kyoson Tsuchida. Library of Contemporary Thought. Williams and Norgate, Ltd., London, 1927.

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of 'personal autonomy,' which means an activity where the normative self defines the empirical self, as was shown in Kant's Ethics."

Dr. Tsuchida's nine chapters on Japanese thought are followed by two on the contemporary thought of China. He has great respect for Chinese thought, and outlines it sympathetically, fairly, and in general accurately.

Among the various viewpoints from which Japan may be looked at, Dr. Tsuchida's may fairly be included as worthy of mention. Particularly interesting is his clear indication of how philosophic thought in Japan has been influenced by the omnipresent State and the national consciousness cultivated by it, as in the culmination of Kihira's philosophy of "Gyo" (self-consciousness or self-determination), where "the methodological end is attained when the State has been made the medium of the concrete concept. This is the fulfilment of 'the philosophy of Gyo—' 'I am a Japanese'."

Truly this is a triumph of the Japanese State—when it can so dominate men's minds as to bring even the thought of its metaphysicians and other academic philosophers under its control.

Peiping, October 15, 1932.

China-Coast Steamer Pirated for Third Time

The steamer *Helikon*, owned by the Chinese company Woo-Fat-Sing of Hongkong, flying the British flag and plying between Saigon and Hongkong, carrying four European officers and 400 passengers including two Europeans, 127 women and 80 children, was commandeered by pirates disguised as passengers, who boarded the steamer at Hongkong October 11. The pirates disarmed the European officers and completely controlled the vessel at midnight October 13 near Hiechechin Bay without bloodshed. They ordered the Captain to sail to Bias Bay. The pirates after looting the passengers and general cargo landed at Honghai Bay, taking five Chinese passengers for ransom. The European passengers, Madame Dirk Van Driest and E. C. Boynton were unmolested. The British cruisers *Wishart* and *Bruce*, having received the *Helikon's* messages, proceeded to Bias Bay, but arrived too late to effect any arrests of the pirates. The *Helikon* returned to Hongkong October 14. This is the third time to *Helikon* has been pirated by Bias Bay desperadoes within the past several years. Among the *Helikon's* passenger was Miss Edith C. Boynton of Peiping, where she is engaged in missionary and library work. She was enroute to New York. When interviewed she said she and Madame Van Driest were terrorized when they were informed by the officers that pirates had commandeered the vessel but the pirates treated them with consideration. The pirates played her gramophone but did not rob her of her jewellery or money. Miss Boynton said she considered the incident odd, as after remaining in China for 13 years, she should meet pirates during her last days in the country. The two women were confined in their cabin for 45 hours during the time the pirates looted the vessel. The Chinese crew has identified the pirates as the same gang that seized the *Helikon* two years ago. Two terrorised Chinese passengers who tried escape being kidnapped by jumping overboard were drowned.

Ford Cars Lead All Others in Shanghai Registration

A tabulation of registration of automobiles in the Foreign Settlement of Shanghai made up to the end of September by the Municipal Council shows that Fords here number 629 private cars and 39 public cars. Buicks total 624, and Chevrolets come in third with 445. Austins come fourth with 417. Fiat and Morris Cowley tie for fifth place honors, both totalling 327. There are 315 Studebakers, 273 Dodges, 226 Nash, 208 Essex, 187 Morris-Oxfords, and 153 Citroens. These figures do not include motor trucks, trailers or buses.

Mrs. Quo Tai-chi Launches Train Ferry in England

China's first train ferry was launched at Walker-on-Tyne, England, by Mrs. Quo Tai-chi, wife of the Chinese Minister to Britain, October 12. This new ferry has cost £70,000 and is a vessel 372 feet long with a dead weight of 1,550 tons. It was named the *Changkiang* and will be used for conveying trains over the Yangtsze river from Nanking to Pukow. It will be able to carry three trains with a total of 21 wagons.

Social Piety: A Challenge to the Christian School

BY T. F. TUNG,
(Christian Girls' High School, Nanking, China)

THE Christian Girls' High School of Nanking, known in China as the C'hung Hwa Girls Middle School, is conducting a challenging bit of social service. The students are voluntarily conducting on their own time a school for women and girls who have had little or no education, with the aim of eradicating illiteracy, improving homes, and bettering social conditions in the neighborhood within a definite period of time. More than forty students are acting as teachers and officers of the school. Immediately after their organization was formed they canvassed the families of the neighborhood, enrolling, members for the school. In two afternoons they succeeded in getting nearly two hundred women and girls. They were divided into classes, some of which met in the afternoon and some in the evening. The work has been going on faithfully and sacrificially now for several months, and promises to continue. All students and teachers in the High School are loyally supporting it; those who are not giving personal service, are contributing money.

Thus the Christian Girls' High School is exemplifying the new virtue of social piety. The Chinese people are noted for filial piety. The famous book Hsiao Ching or Book on Filial Piety written by Confucius twenty-four hundred years ago has long been cherished as the only book in the world that gives a full and thorough treatment of this virtue. This and other related teachings of Confucius have so influenced the minds of the Chinese race for many generations that they have become the very cornerstone of the structure of Chinese society. Under a monarchial regime when people were responsible only for the Empire and the family, filial piety sufficed to bind the society together. Since the latter part of the nineteenth century when China was brought into closer contact with other nations and when Western civilization began to radiate its light into the East the old social structure has been shaken. The overthrow of the monarchial regime, followed by various social, political, and industrial reforms in the beginning of this century has placed Chinese society on a new footing, has brought the people into new social consciousness, and has revealed new social ideals. Mere dutifulness to the family is not enough to meet the need. A citizen of the Republic must be socially efficient. Social piety should supplant filial piety, though the latter is by no means unimportant.

The Mental Attitude

If the growth of social consciousness is necessary in modern China in order to enable the people to adapt themselves to new social changes, one important question is: Have the Chinese people developed this mental attitude? Of course there can be no objective answer to this question. Subjectively the answer is a negative one. The Chinese people are often described as a sheet of incoherent sand. They are said to lack the ideal of cooperation. They place family considerations and selfish ends over above social benefits and public welfare. Many of the political and social disturbances are advanced as evidence of a lack of this social attitude on the part of the people. Not only political and military leaders but the ordinary citizens have in many instances shown signs of unwillingness to sacrifice their own good for the benefit of others.

The contention that the Chinese people lack a training in social ideals, especially in social loyalty is supported by a recent study made by the Ministry of Education. With the aim of setting up a list of moral standards for the Chinese secondary schools, the Department of Secondary and Primary Education of the Ministry sent out a questionnaire to a number of selected middle schools asking for information and opinion in regard to moral training in the schools. One question called for an expression of opinion as to what is the chief moral weakness of the Chinese people in general. One hundred twenty-six schools answered this question and a total list of 18 weaknesses was obtained. The first five items in the list and the number of schools responsible for each item are as follows: lack of cooperation, 59; conservativeness, 37; disregard of public welfare, 33; selfishness, 26; lack of social and national conscience, 25. All these five which stand in the top of the list are related to social piety. If the opinions of these school authorities are true what should the schools do about this?

Christian school education in China began about eighty years ago, and reached its maximum development about the second decade of the present century when the total number of middle schools alone was between three and four hundred. It played a great part in developing a program of modern education in China. In the period before the revolution which made China a republic, two major functions of the Christian schools were the introducing of western knowledge to this country, and the conversion of Chinese youth to a profession of faith in the Christian religion. However, the very success of the Christian movement along these lines, was one factor, and perhaps the main one, in arousing the counter movements, one against Western Education in China, and the other the Anti-Christian Movement. The consequences following the appearance of these two movements created a new epoch in the history of Christian education in China. A third epoch was inaugurated when the Nationalist government placed more restrictions on mission supported schools, and ordered all such schools to register with the Government and to make religion an optional study.

In both of the last named periods, the Christian school authorities were so busy meeting external and internal requirements and criticisms, and making the necessary readjustments, that they had little time to think just what the objectives of the schools should be with regard to the needs of China's future citizenship. The Christian social aim of education has lacked precise definition.

Social Efficiency

There is no doubt that the development of the social motive should be one of the most important aims of education, especially of Christian education. The writer has recently conducted an investigation into the objectives of junior high school education and the moral ideals which such schools should train the youths to possess. He made a list of eighteen junior middle school objectives and another list of 29 moral ideals, each being arranged in alphabetical order, and sent them to about one hundred noted professors and administrators of education and related fields and over one thousand middle school principals. The addressees were asked to select the ten most important items out of each list and rank them in the order of China's greatest need. They were asked to select and rank these items on the basis of what they thought are China's needs, not of what are intrinsically important. The items in the list of moral ideals are as follows: courage, carefulness, purity, diligence and patience, fidelity, frugality, simplicity, health, honesty, humbleness, justice, love of peace, loyalty, love, and sympathy, helpfulness and cooperation, orderliness, obedience, optimism, patriotism, politeness, promptness, progressiveness, self-control, self-reliance, sacrifice, service, studiousness, tolerance, perseverance, and unselfishness. In the writer's opinion many of these ideals are elements of social loyalty though some of them are especially important. They are all Christian ideals and should be especially taken up by the Christian schools. The writer has not received enough replies from the addressees for making final computation but from the figures already compiled it seems that those ideals and objectives that help make people socially efficient beings receive higher ranking and more frequent mention than the other items in the list. Fifty-four of the one hundred noted persons to whom the questionnaire was presented, have sent back their rankings. The writer has compared these, and added together all the points each item has been given. It is those ideals that are closely related to Social Piety that have received the highest rankings. They are: first, cooperation; second, diligence and patience; third, patriotism (in a broad sense); forth, orderliness and obedience to law; fifth, service; sixth, sacrifice. It is interesting to note that the ideal that received the least frequent mention and the lowest ranking is filial piety. This does not mean that the Chinese educators think that this ideal is unimportant, but that it has already been so well developed that it does not require so much attention as the other ideals.

The writer does not contend that the list of social ideals which he has obtained should be taken as final and that all schools should at once reconstruct their curricula on the basis of these ideals. He does want to assert that our schools, especially the Christian schools, should base their work upon definite aims and ideals, that the ideals

of social loyalty are specially needed in China as elsewhere, and therefore it should be a great challenge to the Christian schools.

Learning by Doing

How should the school answer this challenge? In what way can the school train its pupils in social responsibility? How can the school itself become a socially conscious center? Can the ideal of social piety be taught by precept only? To answer these questions we may turn to a great principle of education formulated by a famous Chinese educator; namely, the "Combining of the processes of teaching, learning and doing" or teaching and learning by doing. We teach swimming by swimming with the pupils. The pupils learn to swim by actually swimming. There is no such thing in real education as formal teaching and formal learning. All kinds of skill and knowledge are effectively inculcated or secured only by self-participation in the actual situation. The same principle applies to the teaching and learning of moral ideals. Social duty, sacrifice, and other ideals are taught only by participation in activities that call for these ideals. One learns to be socially loyal and sacrificial only by being loyal and sacrificial and not by hearing or reading about these virtues.

With this principle clear in mind, our Christian schools will have a good start in answering the challenge of social duty. The major objectives of the school and the minor aims of the various activities in the school should perhaps be more clearly formulated and defined in terms of social duty. The curriculum should perhaps be reorganized into such units of activity that this challenge can be met. All the projects and activities that have direct bearing upon the ideal of social duty should be given the first place in the program over others that contain no such value. Methods of teaching should be so improved that both teachers and pupils will take part in the activity from which the social ideals are developed and will become efficient members of various social groups. The school itself should not be secluded from society but rather open itself to the public. All the school facilities should, to some extent, be managed and utilized for the benefit of the public and not merely for a secluded group of teachers and pupils whom the school wrongly claims as its own. To answer the challenge of social duty the school should not only put all the pupils into actual social activities but also the institution itself into society, and make itself a center of social reforms and a dynamo of social progress.

In the case of the Christian Girls' School, previous to the experience mentioned above, the faculty has tried preaching to the students the spirit of service and sacrifice, but there seemed to be comparatively little response from the students. Last spring the principal suggested to the Student Council the establishing of the part time school for women and girls who lacked opportunity for education. This the girls applauded, and soon were busy on the job. They have acquired much experience in this voluntary service and have learned what service and sacrifice means. They are eager to continue the work even in their vacation time. Next semester they will broaden the scope by teaching in the homes some who can not go outside to receive instruction.

THE "OUTSIDE ROADS" CONTROVERSY IN SHANGHAI

(*Continued from page 334*)

hai. We wonder why the Chinese authorities should permit a foreign government to collect the taxes in Chinese territories? By taking back these "outside roads," we aim to put them under Chinese jurisdiction and control. Then, only the Chinese authorities should have the right to levy and collect taxes; only Chinese police law should be enforced; and only Chinese police from the Public Safety Bureau should be employed on duty. To allow the S.M.C. to collect the taxes we deem contrary to the purpose of the "outside roads" negotiations. If the permission given to the S. M. C. to collect taxes means to repay the Council for the up-keep of the roads, the Chinese are very wrong in this respect, for after taking back these "roads," it should be the Chinese who should repair them—not the S. M. C.

The general principle No. 2. deals with the enforcement of the police law. It is our opinion that the Chinese negotiators should insist that only the Chinese police law should be enforced. What we want to see is these districts —"Outsids Roads"—purely Chinese territory, but not "semi-Chinese" or "semi-foreign settlement," or converted into a so-called "unique status." What we want is the actual control over these districts, not merely a nominal one.

Nanking, October 15, 1932.

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Szechuen---The Hotbed of Civil Wars

BY PAUL K. WHANG (汪仲芳)

WAR seems to be contagious. While war clouds have not yet dispersed over Shantung, another storm has broken out in Szechuen. As if to emulate the "brave and heroic" deeds of Gen. Han Fu-chu and Gen. Liu Chen-nien of Shantung, the warlords of Szechuen have mobilized 350,000 soldiers to participate in a civil war which is as meaningless as the Shantung flare-up.

This is said to be the 478th civil war in Szechuen since the establishment of the Republic in 1911. Possibly it will go down in history as the world record of civil wars fought within a brief span of twenty-one years. Mr. Ripley can adopt it in his "Believe it or not" drawings.

Besides being the hotbed of civil wars, Szechuen is noted for its big size and rich resources. Nature has provided its people abundantly. Aside from mineral and metal resources which have not yet been exploited, Szechuen has made its name known to the outside world for its silk, salt, wood oil and Chinese medicines. On the exportation of those products the prosperity of Szechuen people depends.

But in spite of its rich resources, Szechuen remains virtually an undeveloped province, commercially and industrially, partly due to the lack of transportation and communication facilities, and partly due to the continuous civil strife and administration. Being situated in the far west, it is completely isolated from the coast provinces. Aside from the newly instituted air route, the Yangtsze River is the only highway to reach that distant province.

It is proverbial that to go to Szechuen is as hard as to go to heaven. Even with the institution of the modern steamship services, the journey from Shanghai to Chungking, the gateway of Szechuen, will take longer than crossing the Pacific. To travel from Chungking to the interior of the province is even more tedious, because most of the regions are mountainous and uninhabited.

Not a United Province

Because of the poor transportation and communication facilities, the central government has met with difficulty in exerting its influence over that secluded province. For the same reason, the provincial authority has found its power limited to the capital, Chengtu, and its neighborhood, while military leaders have established their respective spheres of influence in different parts of the province and maintained semi-independent positions. Thus Szechuen is not a united province, but composed of six or seven semi-independent states. The ambition and avidity of various military leaders have led them to fight each other continuously thereby plunging the province into a perpetual topsyturvy state.

In order to maintain their "little kingdoms", so to speak, the warlords have vied with each other in increasing the size of their respective armies. To equip and feed their ever-increasing personal soldiers, they have inevitably fallen back upon the people and contrived every possible means to raise revenue through taxation. It is said that in many districts the land tax has been collected twenty or twenty-five years in advance. In shipping a bale of silk from, say, Dongchuen, in the interior of Szechuen, to Chungking, the silkman has to pay the passage money or the protection money to every military leader through whose domain the silk has gone through. It is estimated that the people of Szechuen have contributed yearly $215,000,000 towards different generals for the maintenance of their soldiers.

The "Lazy" Tax

Their system of taxing the people is as unique as ridiculous. In many districts around Wanhsien, a system of "lazy tax" was instiuted by Gen. Yaug Sen when he was the garrison commander of that district, and has since remained in force, by which a farmer will be liable to pay a sort of tax, if he is so "lazy" as to cultivate rice instead of poppy in his farm. As opium is much more valuable than rice, the Szechuen generals have encouraged the farmers to cultivate poppy, and through the exportation and sale of opium, they have drawn enormous profits to enrich their personal coffers.

With these backgrounds in view, one can easily surmise the cause of the present flare-up at a distance. The present struggle involves two most powerful military leaders in Szechuen, Gen. Liu Wen-hui, the chairman of the Szechuen provincial government, and Gen. Liu Hsiang, the independent warlord of the Chungking district. So far as their military strength is concerned, they are about on the same level, when the chairman has about 90,000 soldiers as against the Chungking general's 80,000. As to their governed areas, the former controls more than seventy hsiens in Szechuen including its capital, Chengtu, while the latter has only thirty hsiens including the city of Chungking, the gate-way of Szechuen.

But the most comical or tragical aspect of the present struggle is the fact that Gen. Liu Wen-hui is no other than the uncle of Gen. Liu Hsiang. Possibly this is the first time since the establishment of the Republic that a civil war is fought between an uncle and his nephew. When their minds are dominated by personal interest and self-aggrandizement, even close relatives will resort to armed force to settle their differences. To the warlords, blood is not any thicker than water and the principles of virtue have long lost their meaning.

It is futile to ascertain who is the aggressor of the two. Both are as ambitious as they are aspiring to be the master of the whole province. Being the chairman of the province, the senior Liu is naturally not content with his power, limited to seventy hsiens of the whole province, while the most productive parts of Szechuen are in the hands of his nephew, who has maintained an independent position. On the other hand, in holding Chungking, the junior Liu has held the neck of the province. In consequence, he can bring his rivals to terms by intercepting the shipment of firearms and ammunition on the Yangtsze, and can also draw an enormous revenue from manipulating the exportation of opium. His influence has been considerably increased since 1929 when he successfully ousted Gen. Yang Sen from Wanhsien, the productive center of wood oil. For the past three years, the younger Liu has spent a great fortune in increasing the military strength of his personal army and securing modern war equipment, and it is an open secret that he has been waiting for an opportunity to strike a deadly blow at his uncle.

Therefore the present struggle is not accidental, but has been fomented for some time. Its immediate cause is said to be the seizure by nephew Liu of a big consignment of firearms and ammunition valued at $30,000,000 purchased by his uncle. As a result of this incident, the family tie between the two Lius is broken. In order to insure his success, the younger Liu has obtained the support of other generals including Yang Sen, Teng Shih-heu, Loo Chih-chuan, Liu Chen-hou, Dien Shun-yao and others, by promising to divide his uncle's garrison area among themselves in case of the latter's defeat. Charges and counter-charges have been hurled between uncle and nephew, and each has claimed that his forces were attacked by the other's troops despite his attempt to maintain peace. The first shot was fired on Oct. 2, and up to the time of writing this article it has been reported that both sides have already suffered heavy casualties.

Appeals from Nanking Not Heeded

The Nanking government has appealed to the rival leaders to stop civil war and to settle their differencee through pacific means, but its appeals will not prove any more successful than those to the war-lords in Shantung. In the past, the government has always maintained an indifferent attitude toward the chaotic conditions in Szechuen, leaving the generals to fight each other, and awarding the official title of the chairmanship of the province to the one who proved the strongest. This practice, it must be said, has tended to encourage rather than to check the disturbances in Szechuen, as each general has been engrossed with the ambition of winning the "crown" from the central government.

The patience of the Szechuen people is really remarkable. For twenty years, they have been subjected to exactions and privations of continuous civil war. But they have still resigned themselves to their destiny and permitted themselves to be victimized. In a sense, they have been so accustomed to the fighting that they have seemed no longer to be bothered by them. They have accepted the realities of the situation as a matter of course, and pursued their business as usual under the most difficult conditions.

However, this does not mean that they are content with their sufferings and privations. They have been daily praying for peace and deliverance from the hell incarnate. But so far their prayers have not been answered. They have not yet lost their hope, and they have believed that, sc one of the Szechuen silkmen said, some day the public dissatisfaction will rise to such an extent that they will be strong enough to drive out the selfish warlords bag and baggage.

In view of the past and present chaotic conditions in Szechuen, the central government should no longer pursue

a laissez-faire policy and leave its people to be victimized by the warlords. If it is not in a position to send an expeditionary force to Szechuen to disarm all the recalcitrant military leaders, it should at least ban the shipment of firearms and ammunition to Szechuen. With the supply of munitions cut off, it is expected that the possibility of civil war, if not totally eliminated, will be greatly minimized in that remote province.

Shanghai, October 17, 1932.

Two Chinese Ministries Clash on Handling of Saltpetre Cargo

The Shanghai Commercial and Savings Bank was declared innocent Oct. 14 by the the First Special District Court in connection with 810 bags of saltpetre which were seized from its godown, 1 West Soochow Road, several days previously. The seizure was made by the Settlement police upon the request of the Salt Bureau of the Ministry of Finance. After the seizure, police officers interviewed managers of the Shanghai bank who said the cargo had been sent here from the Ministry of War's saltpetre works at Kaifeng, Honan. One of the representatives of the saltpetre works at Kaifeng was present in court and produced a permit issued by the Ministry of War authorizing the transportation of the 810 bags of saltpetre from Kaifeng to Shanghai.

The Court adjourned the case with a ruling that the Shanghai Commercial and Saving Bank was innocent in the case. The same ruling, however, ordered that the cargo must not be removed from the godown pending further inquiries.

London "Sunday Times" Reasserts Statement on Japanese-French Alliance Proposal

The London *Sunday Times* in its issue of October 16 emphatically re-affirmed its previous declaration that Japan proposed a formal alliance with France. The proposal was made verbally in Paris two months ago, *The Sunday Times* asserts, the proposal having sufficient backing to warrant the immediate consideration by the Ministry of Foreign Affairs.

One of the ablest advisers on Far Eastern questions was called in consultation, the *Sunday Times* said, but after this consultation it was decided (by France) to reject the proposal on the grounds that such an alliance would be dishonorable under the present circumstances.

[Both the French and Japanese Governments had in the meantime denied that any such proposal had been discussed. —Ed. *C. W. R.*]

Warrant Issued at Chicago for Arrest of Insull Brothers

A grand jury at Chicago October 4 indicted the Insull brothers on charges of embezzlement and larceny. Warrants were immediately issued for their arrest, but neither of them is in the United States at present. Steps are being taken for the extradition of Samuel Insull from France and his brother Martin from Canada. (Samuel has since fled to Greece). The indictment charged Martin Insull with having abstracted $344,000 from the Treasury of the Middle-West Utilities Company, one of the companies in the two-billion dollar Insull combine of untility concerns, while Samuel and Martin were charged with having abstracted $170,000 from the same company and from the Mississippi Valley Investment Company. Bail for Martin has been fixed in the sum of $75,000 and for his brother Samuel in the sum of $50,000.

Soviets Open World's Largest Hydroelectric Station

The giant hydro-electric station at Dnieprostroi, Soviet Russia, was officially opened at Kilchkas, October 10. M. Mikhailov, assistant in charge of the construction work, performed the ceremony of handing over the hydro-electric station to the government. Addressing the government delegation and the assembled spectators, M. Mikhailov declared that the Soviet Union was celebrating one of the greatest world victories in starting up this hydro-electric station which, he said, is the pride of the Soviet Union. The speaker emphasized that Dnieprostroi is important, not only because it is the greatest hydro-electric station in the world, but also because of the various powerful enterprises that are growing up around it and making it the greatest industrial base in the Ukraine.

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Full Text of Lytton Commission of Enquiry's Report

"The Review" herewith commences the publication of the full text of the report of the League Commission of Enquiry into the Sino-Japanese dispute arising out of the Mukden incident of September 18, 1931. Installments will be printed weekly covering the first eight chapters. The ninth and tenth (concluding) chapters were printed in full in the October 15 issue of "The Review."

Introduction

On September 21, 1931, the representative of the Chinese Government at Geneva wrote to the Secretary-General of the League of Nations asking him to bring to the attention of the Council the dispute between China and Japan which had arisen from the events which took place at Mukden on the night of September 18-19, and appealed to the Council under Article II of the Covenant to "take immediate steps to prevent the further development of a situation endangering the peace of nations."

On September 30th the Council passed the following resolution:

"The Council

"1. Notes the replies of the Chinese and Japanese Governments to the urgent appeal addressed to them by its President and the steps that have already been taken in response to that appeal;

"2. Recognizes the importance of the Japanese Government's statement that it has no territorial designs in Manchuria;

"3. Notes the Japanese representative's statement that his Government will continue as rapidly as possible, the withdrawal of its troops, which has already been begun, into the railway zone in proportion as the safety of the lives and property of Japanese nationals is effectively assured and that it hopes to carry out this intention in full as speedily as may be;

"4. Notes the Chinese representative's statement that his Government will assume responsibility for the safety of the lives and property of Japanese nationals outside that zone as the withdrawal of the Japanese troops continues and the Chinese local authorities and police forces are re-established;

"5. Being convinced that both Governments are anxious to avoid taking any action which might disturb the peace and good understanding between the two nations, notes that the Chinese and Japanese representatives have given assurances that their respective Governments will take all necessary steps to prevent any extension of the scope of the incident or any aggravation of the situation;

"6. Requests both parties to do all in their power to hasten the restoration of normal relations between them and for that purpose to continue and speedily complete the execution of the above-mentioned undertaking;

"7. Requests both parties to furnish the information as to the development of the situation;

"8. Decides, in the absence of any unforeseen occurrence which might render an immediate meeting essential, to meet again at Geneva on Wednesday, October 14, 1931, to consider the situation as it then stands;

"9. Authorizes its President to cancel the meeting of the Council fixed for October 14th, should he decide, after consulting his colleagues, and more particularly the representatives of the two parties, that, in view of such information as he may have received from the parties or from other members of the Council as to the development of the situation, the meeting is no longer necessary."

In the course of the discussions that proceeded the adoption of this resolution, the Chinese representative expressed the view of his Government that "the best method that may be devised by the Council for securing the prompt and complete withdrawal of the Japanese troops and police and the full re-establishment of the status quo ante, is the sending of a neutral commission to Manchuria."

The Council held a further session for the consideration of the dispute, from October 13th to the 24th. In consequence of the opposition of the Japanese representative, unanimity could not be obtained for the resolution proposed at this session.

The Council met again on November 16th in Paris and devoted nearly four weeks to a study of the situation. On November 21st, the Japanese representative, after stating that his Government was anxious that the resolution of September 30th should be observed in the spirit and letter, proposed that a commission of inquiry should be sent to the spot. This proposal was subsequently welcomed by all the other members of the Council and on December 10, 1931, the following resolution was unanimously adopted:

"The Council

"1. Reaffirms the resolution passed unanimously by it on September 30, 1931, by which the two parties declare that they are solemnly bound; it therefore calls upon the Chinese and Japanese Governments to take all steps necessary to assure its execution so that the withdrawal of the Japanese troops within the railway zone may be effected as speedily as possible under the conditions set forth in the said resolution;

"2. Considering that events have assumed an even more serious aspect since the Council meeting of October 24th;

"Notes that the two parties undertake to avoid any further aggravation of the situation and to refrain from any initiative which may lead to further fighting and loss of life;

"3. Invites the two parties to continue to keep the Council informed as to the development of the situation;

"4. Invites the other Members of the Council to furnish the Council with any information received from their representative on the spot;

"5. Without prejudice to the carrying out of the abvove-mentioned measures;

"Desiring, in view of the special circumstances of the case, to contribute toward a final and fundamental solution by the two Governments of the questions at issue between them;

"Decides to appoint a commission of five members to study on the spot and to report to the Council on any circumstances which, affecting international relations, threaten to disturb peace between China and Japan, or the good understanding between them, upon which peace depends;

"The Governments of China and of Japan will each have the right to nominate one assessor to assist the commission.

"The two Governments will afford the commission all facilities to obtain on the spot whatever information it may require;

"It is understood that, should the two parties initiate any negotiations, these would not fall within the scope of the terms of reference of the commission, nor would it be within the competence of the commission to interfere with the military arrangements of either party.

"The appointment and deliberation of the commission shall not prejudice in any way the undertaking given by the Japanese Government in the resolution of September 30th as regards the withdrawal of the Japanese troops within the railway zone.

"6. Between now and its next ordinary session, which will be held on January 25, 1932, the Council, which remains seized of the matter, invites its President to follow the question and to summon it afresh if necessary."

In introducing this resolution, the President, Mr. Briand, made the following declaration:

"It will be observed that the resolution which is before you provides for action on two separate lines; (1) to put an end to the immediate threat to peace; (2) to facilitate the final solution of existing causes of dispute between the two countries.

"The Council was glad to find during its present sittings that an inquiry into the circumstances which tend to disturb the relations between China and Japan, in itself desirable, would be acceptable to the parties. The Council therefore welcomed the proposal to establish a commission which was brought before it on November 21st. The final paragraph of the resolution provides for the appointment and functioning of such a commission.

"I shall now make certain comments on the resolution, paragraph by paragraph.

"Paragraph 1.—This paragraph reaffirms the resolution unanimously adopted by the Council on September 30th, laying particular stress on the withdrawal of the Japanese troops within the railway zone on the conditions described therein as speedily as possible.

"The Council attaches the utmost importance to this resolution and is persuaded that the two Governments will set themselves to the complete fulfillment of the engagements which they assumed on September 30th.

"Paragraph 2.—It is an unfortunate fact that, since the last meeting of the Council, events have occurred which have seriously aggravated the situation, and have given rise to legitimate apprehension. It is indispensable and urgent to abstain from any initiative which may lead to further fighting, and from all other action likely to aggravate the situation.

"Paragraph 4.—Under Paragraph 4, the Members of the Council other than the parties are requested to continue to furnish the Council with information received from their representative on the spot.

"Such information having proved of high value in the past, the Powers who have the possibility of sending such representatives to various localities have agreed to do all that is possible to continue and improve the present system.

"For this purpose, those Powers will keep in touch with the two parties, so that the latter may, should they so desire, indicate to them the localities to which they would desire the dispatch of such representatives.

"Paragraph 5.—Provides for the institution of a commission of inquiry. Subject to its purely advisory character, the terms of reference of the commission are wide. In principle, no question which it feels called upon to study will be excluded, provided the question relates to any circumstances which, affecting international relations threaten to disturb peace between China and Japan, or the good understanding between them upon which peace depends. Each of the two Governments will have the right to request the commission to consider any question the examination of which it particularly desires. The commission will have full discretion to determine the questions upon which it will report to the Council, and will have power to make interim reports when desirable.

"If the undertakings given by the two parties according to the resolution of September 30th have not been carried out by the time of the arrival of the commission, the commission should as speedily as possible report to the Council on the situation.

"It is specially provided that, 'should the two parties initiate any negotiations, these would not fall within the scope of the terms of reference of the commission, nor would it be within the competence of the commission to interfere with the military arrangements of either party.' This latter provision does not limit in any way its faculty of investigation. It is also clear that the commission will enjoy full liberty of movement in order to obtain the information it may require for its reports."

Japan Makes Reservation

The Japanese representative, in accepting the Resolution, made a reservation concerning paragraph 2 of the resolution, stating that he accepted it on behalf of his Government "on the understanding that this paragraph was not intended to preclude the Japanese forces from taking such action as might be rendered necessary to provide directly for the protection of the lives and property of Japanese subjects against the activities of bandits and lawless elements rampant in various parts of Manchuria."

The Chinese representative, on his part, accepted the resolution, but asked that certain of his observations and reservations on points of principle should be placed on record as follows:—

"I. China must and does fully reserve any and all rights, remedies and juridical positions to which she is or may be entitled under and by virtue of all the provisions of the Covenant, under all the existing treaties to which China is a party, and under the accepted principles of international law and practice.

"II. The present arrangement evidenced by the resolution and the statement made by the President of the Council is regarded by China as a practical measure embodying four essential and interdependent elements:

(a) Immediate cessation of hostilities;

(b) Liquidation of the Japanese occupation of Manchuria within the shortest possible period of time;

(c) Neutral observation and reporting upon all developments from now on;

(d) A comprehensive inquiry into the entire Manchurian situation on the spot by a commission appointed by the Council.

The said arrangement being in effect and in spirit predicated upon these fundamental factors, its integrity would be manifestly destroyed by the failure of any one of them to materialize and be effectively realized as contemplated.

"III. China understands and expects that the commission provided for in the resolution will make it its first duty to inquire into and report, with its recommendations, on the wthdrawal of the Japanese forces, if such withdrawal has not been completed when the commission arrives on the spot.

"IV. China assumes that the said arrangement neither directly nor by implication affects the question of reparations and damages to China and her nationals growing out of the recent events in Manchuria, and makes a specific reservation in that respect.

"V. In accepting the resolution laid before us, China appreciates the efforts of the Council to prevent further fighting and bloodshed by enjoining both China and Japan to avoid any initiative which may lead to further fighting or any other action likely to aggravate the situation. It must be clearly pointed out that this injunction should not be violated under the pretext of the existence of lawlessness caused by a state of affairs which it is the very purpose of the resolution to do away with. It is to be observed that much of the lawlessness now prevalent in Manchuria is due to the interruption of normal life caused by the invasion of the Japanese forces. The only sure way of restoring the normal peaceful life is to hasten the withdrawal of the Japanese troops and allow the Chinese authorities to assume the responsibility for the maintenance of peace and order. China cannot tolerate the invasion and occupation of her territory by the troops of any foreign country; far less can she permit these troops to usurp the police functions of the Chinese authorities.

"VI. China notes with satisfaction the purpose to continue and improve the present system of neutral observation and reporting through representatives of other Powers, and China will from time to time, as occasion requires, indicate the localities to which it seems desirable to dispatch such representatives.

"VII. It should be understood that, in agreeing to this resolution which provides for the withdrawal of the Japanese forces to the railway zone, China in no way recedes from the position she has always taken with respect to the maintenance of military forces in the said railway zone.

"VIII. China would regard any attempt by Japan to bring about complications of a political character affecting China's territorial or administrative integrity (such as promoting so-called independent movements or utilizing disorderly elements for such purposes) as an obvious violation of the undertaking to avoid any further aggravation of the situation."

The members of the commission were subsequently selected by the President of the Council, and, after the approval of the two parties had been obtained, the membership was finally approved by the Council on January 14, 1932, as follows:

H. E. Count Aldrovandi (Italian).
General de Division Henri Claudel (French).
H. E. Dr. Heinrich Schnee (German).
The Rt. Hon. The Earl of Lytton, P.C. G.C.S.I., G.C.I.E., (British).
Major-General Frank Ross McCoy (American).

The European members, with a representative of the American member, held two sittings in Geneva on January 21st, at which Lord Lytton was unanimously elected chairman and a provisional program of work was approved. The Governments of Japan and China, each of which had, by virtue of the resolution of December 10th, "the right to nominate one assessor to assist the commission," subsequently appointed as their assessors H. E. Mr. Isaburo Yoshida, Ambassador of Japan in Turkey, and H. E. Dr. Wellington Koo, a former Prime Minister and former Minister of Foreign Affairs of China.

The Secretary-General of the League designated Mr. Robert Haas, Director in the Secretariat of the League, to act as secretary-general of the commission.(*)

In the course of its work the commission was assisted by the technical advice of Professor G. H. Blakeslee, professor at Clark University, U.S.A., Ph. D., L.L.D., Mr. Donnery, Agrege de l'Universite de France, Mr. Ben Dorfman, B. A., M. A., William Harrison Mills Fellow, University of California, U.S.A.; Dr. A. D. A. de Kat Angelino, Colonel T. A. Hiam, assistant to the chairman of the Canadian National Railways, G. S. Moss, Esq., C.B.E., H.B.M. Consul in Weihaiwei, Dr. C. Walter Young, M. A., Ph. D., Far Eastern Representative of the Institute of Current World Affairs, New York City.

The European members of the commission sailed from Le Havre and Plymouth on February 3rd, and were joined by the American member at New York on February 9th.

Article 15 Invoked

Meanwhile the development of the situation in the Far East caused the Chinese Government, on January 29th, to submit a further appeal to the League of Nations under Articles 10, 11 and 15 of the Covenant. On February 12, 1932, the Chinese representative requested the Council

(*) The secretary-General had put at the disposal of the secretariat of the commission:

Mr. Pelt, member of the information section; Mr. von Kotze, assistant to the Under Secretary-General in charge of the International Bureau; Mr. Pastuhov, member of the Political Section; the Hon. W. W. Astor, temporary member of the Secretariat acting as secretary of the Chairman of the commission; and Mr. Charrer, of the information section.

Major P. Jouvelet, Army Medical Corps, French Army acted as personal assistant to General Claudel, and Lieutenant Biddle as personal assistant to General McCoy, and collaborated also in the general work of the secretariat.

Mr. Depeyre, French Vice-Consul at Yokohama, acted as interpretor in the Japanese language.

Mr. Aoki and Mr. Wou Sao-fong, members of the information section, collaborated with the secretariat of the commission.

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to submit the dispute to the Assembly in accordance with paragraph 9 of Article 15 of the Covenant. Since no further instructions were received from the Council, the commission continued to interpret its mandate according to the resolution of the Council of December 10th. This included:

1. An examination of the issues between China and Japan, which were referred to the Council, including their causes, development and status at the time of the inquiry;

2. A consideration of a possible solution of the Sino-Japanese dispute which would reconcile the fundamental interests of the two countries.

This conception of its mission determined the program of its work.

Before reaching Manchuria, the main theater of the conflict, contact was established with the Governments of Japan and with representatives of various shades of opinion, in order to ascertain the nature of the interests of the two countries. The commission arrived in Tokyo on February 29th, where it was joined by the Japanese assessor. It had the honor of being received by His Majesty the Emperor. Eight days were spent in Tokyo, and daily conferences were held with members of the Government (and others), including the Prime Minister, Mr. Inukai, the Minister of Foreign Affairs, Mr. Yoshizawa, the Minister of War, Lieutenant-General Araki, the Minister of Navy, Admiral Osumi. Interviews were also held with leading bankers, businessmen, representatives of various organizations and others. From all of these we received information regarding the rights and interests of Japan in Manchuria and her historical associations with that country. The Shanghai situation was also discussed. After leaving Tokyo we learned while in Kyoto of the establishment of a new "State" in Manchuria, under the name of "Manchukuo" (The Manchu State). In Osaka conferences were arranged with representatives of the business community.

The commission reached Shanghai on March 14th, and was joined there by the Chinese assessor. Here a fortnight was occupied, in addition to our general inquiry, in learning as much as possible about the facts of the recent fighting and the possibility of an armistice, which we had previously discussed with Mr. Yoshizawa in Tokyo. We paid a visit to the devastated areas and heard statements from the Japanese naval and military authorities regarding recent operations. We also interviewed some of the members of the Chinese Government and leaders of business, educational, and other circles, including Canton.

On March 26th, the commission proceeded to Nanking, some of its members visiting Hangchow on the way. During the following week it had the honor of being received by the President of the National Government. Interviews were held with Mr. Wang Ching-wei, President of the Executive Yuan, General Chiang Kai-shek, Chairman of the Military Council, Dr. Lo Wen-kan, Minister of Foreign Affairs, Mr. T. V. Soong, Minister of Finance, General Cheng Ming-chu, Minister of Communications, Mr. Chu Chia-hua, Minister of Education, and other members of the Government.

In order to acquaint ourselves more fully with representative opinion and with conditions existing in various parts of China, we proceeded on April 1st, to Hankow, stopping en route at Kiukiang. Some representatives of the commission visited Ichang, Wanhsien and Chungking in the Provinces of Hupeh and Szechuen.

On April 9th the commission arrived at Peiping (as Peking is now called, where several conferences were held with Marshal Chang Hsueh-liang and with officials who had been members of the administration in Manchuria until September 18th. Evidence was also given by the Chinese generals who had been in command of the troops at the barracks at Mukden on the night of September 18th.

Our stay in Peiping was prolonged owing to difficulty which arose regarding the entry into Manchuria of Dr. Wellington Koo, the Chinese assessor.

In proceeding to Manchuria, the commission divided into two groups, some of the party traveling to Mukden by rail via Shanhaikwan, and the remainder, including Dr. Koo, by sea via Dairen, thus remaining within the Japanese railway area. The objection to Dr. Koo's entry into "Manchukuo" territory was finally withdrawn after the arrival of the commission in Changchun, the northern terminus of the Japanese railway area.

We remained in Manchuria for about six weeks, visiting Mukden, Changchun, Kirin, Harbin, Dairen, Port Arthur, Anshan, Fushun and Chinchow. We had intended to visit Tsitsihar as well, but while we were in Harbin there was continuous fighting in the surrounding districts, and Japanese military authorities stated that they were unable at that moment to guarantee the safety of the commission by rail on the western branch of the Chinese Eastern Railway. Accordingly, some members of our staff visited Tsitsihar by air. From there they traveled by the Taonan-Angangchi and Ssupingkai-Taonan railways and rejoined the main body in Mukden.

During our stay in Manchuria we wrote a preliminary report, which we dispatched to Geneva on April 29th.

We had numerous conferences with Lieutenant-General Honjo, Commander of the Kwantung Army, other military officers, and Japanese consular officials. At Changchun we visited the Chief Executive of "Manchukuo," the former Emperor, Hsuan Tung, now known by his personal name of Henry Pu-yi. We also had interviews with members of the "Manchukuo" Government including officials and advisers of Japanese nationality, and governors of provinces. Delegations were received from the local population, most of which were presented by the Japanese or "Manchukuo" authorities. In addition to our public meetings, we were able to arrange interviews with a great number of individuals, both Chinese and foreign.

Analysis in Peiping

The commission returned to Peiping on June 5th, where an analysis of the voluminous documentary material collected was begun. Two more conferences were also held with Mr. Wang Ching-wei, President of the Executive Yuan, Dr. Lo Wen-kan, Minister of Foreign Affairs, and Mr. T. V. Soong Minister of Finance.

On June 28th the commission proceeded to Tokyo via Chosen (Korea). Its departure for Japan was delayed by the fact that no Foreign Minister had yet been appointed in the Cabinet of Admiral Viscount Saito. After their arrival n Tokyo on July 4th, conferences were held with leaders of the new Government, including the Prime Minister, Admiral Viscount Saito, the Minister for Foreign Affairs, Count Uchida, and the Minister of War, Lieutenant-General Araki. From these we learned the present views and policy of the Government regarding the development of the situation in Manchuria and Sino-Japanese relations.

Having thus renewed contact with both the Chinese and the Japanese Governments, the commission returned to Peiping, where the drafting of the report was undertaken.

The two assessors, who throughout spared no effort to assist the work of the commission, presented a great amount of valuable documentary evidence. The material received from each assessor was shown to the other, and an opporthnity given for subsequent comment. These documents will be published.

The large number of persons and organizations interviewed, as listed in the appendix, will illustrate the amount of evidence examined. Further, in the course of our travels we have been presented with a great quantity of printed pamphlets, petitions, appeals, and letters. In Manchuria alone we received approximately 1,550 letters in Chinese and 400 letters in Russia, without mentioning those written in English, French or Japanese. The arrangement, translation and study of these documents involved a considerable labor which was carried out in spite of our continual movement from place to place. It was finally completed on our return to Peiping in July and before our last visit to Japan.

The commission's conception of its mission, which determined the program of its work and itinerary, has equally guided the plan of its report.

First we have tried to provide an historical background by describing the rights and interests of the two countries in Manchuria which provide the fundamental causes of the dispute; the more recent specific issues which immediately preceded the actual outbreak were then examined and the course of events since September 18th, 1931, described. Throughout this review of the issues we have insisted less on the responsibility for past actions than on the necessity of finding means to avoid their repetition in the future.

Finally, the report concludes with some reflections and considerations which we have desired to submit to the Council upon the various issues with which it is confronted, and with some suggestions of the lines on which it seemed to us possible to effect a durable solution of the conflict and the re-establishment of a good understanding between China and Japan.

The events of September 18, 1931, which first brought the present conflict to the notice of the League of Nations were but the outcome of a long chain of minor occassions of friction, indicating a growing tension in the relations between China and Japan. A knowledge of the essential factors in the recent relations of these two countries is necessary to a complete understanding of the present conflict. It has been necessary, therefore, to extend our study of the issues beyond the limits of Manchuria itself and to consider in their widest aspect all the factors which determine present Sino-Japanese reelations. The national aspirations of the Republic of China, the expansionist policy of the Japanese Empire and of the former Russian Empire, the present dissemination of communism from the U.S.S.R., the economic and strategic needs of these three countries; such matters as these, for example, are factors of fundamental importance in any study of the Manchurian problem.

Situated as this part of China is geographically between the territories of Japan and Russia, Manchuria has become politically a center of conflict, and wars between all three countries have been fought upon its soil. Manchuria is in fact the meeting ground of conflicting needs and policies, which themselves require investigation before the concrete facts of the present conflict can be fully appreciated. We shall therefore begin by reviewing these essential factors seriatim.

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CHAPTER I

Development of China

The dominating factor in China is the modernization of the nation itself which is slowly taking place. China today is a nation in evolution, showing evidence of transition in all aspects of its national life. Political upheavals, civil wars, social and economic unrest, with the resulting weakness of the central government, have been the characteristics of China since the Revolution of 1911. These conditions have adversely affected all the nations with which China has been brought into contact and until remedied will continue a menace to world peace and a contributory cause of world economic depression.

Of the stages of which the present conditions have been reached only a brief summary can here be given, which in no sense aims at being a comprehensive history. Throughout the first centuries of her intercourse with individual Occidentals, China remained, as far as Western influence is concerned, practically an isolated country. This condition of isolation was bound to come to an end when, at the beginning of the nineteenth century, the improvement of modern communications diminished distance and brought the Far East within easy reach of other nations, but in fact the country was not ready for the new contact when it came. As a result of the Treaty of Nanking, which ended the war of 1842, some ports were opened to foreign trade and residence. Foreign influences were introduced into a country whose government had made no preparations to assimilate them. Foreign traders began to settle in her ports before she could provide for their administrative, legal, judicial, intellectual and sanitary requirements. The latter brought with them conditions and standards to which they were accustomed. Foreign cities sprang up in the Treaty Ports. Foreign methods of organization, of administration and business, asserted themselves. Any efforts there may have been on either side to mitigate the contrast were not effective, and a long period of friction and misunderstanding followed.

The efficacy of foreign arms having been demonstrated in a series of armed conflicts, China hoped by building arsenals and by military training according to Western methods to meet force with force. Her efforts in this direction, restricted as they were in scope, were doomed to failure. Much more fundamental reforms were needed to enable the country to hold its own against the foreigner, but China did not desire such reforms. On the contrary, she wanted to protect her culture and dominion against them.

Japan Solved Problems

Japan had to face similar problems when that country was first opened to Western influences: new contacts with disturbing ideas, the conflict of different standards, leading to the establishment of foreign settlements, one-sided tariff conventions and extraterritorial claims. But Japan selved these problems by internal reforms, by raising her standards of modern requirements to those of the West and by diplomatic negotiations. Her assimilation of Western thoughts may not yet be complete, and friction may sometimes be seen between the old and the new ideas of different generations. But the rapidity and the thoroughness with which Japan has assimilated Western science and technique and adopted Western standards without diminishing the value of her old traditions, have aroused general admiration.

However difficult Japan's problems of assimilation and transformation may have been, those faced by China were much more difficult, owing to the vastness of her territory, the lack of national unity of her people, and her traditional financial system, under which the whole of the revenue collected did not reach the Central Treasury. Although the complexity of the problem which China has to solve may be so much greater than that which confronted Japan as to make unjust any comparison between the two, yet the solution required for China must ultimately follow lines similar to those adopted by Japan. The reluctance of China to receive foreigners, and her attitude toward those who were in the country was bound to have serious consequences. It concentrated the attention of her foreign influence, and prevented her from profiting by the experience of more modern conditions in the foreign settlements. As a result the constructive reform necessary to enable the country to cope with the new conditions was almost completely neglected.

The inevitable conflict of two irreconcilable conceptions of respective rights and international relations led to wars and disputes resulting in the progressive surrender of sovereign rights and the loss of territory either temporary or permanent. China lost a huge area on the north bank of the Amur River, and the Maritime Province; the Luchu Islands; Hongkong; Burma; Annam, Tongking, Laos, Cochin-China (provinces of Indo-China); Formosa; and several other tributary states; she also granted long leases of other territories. Foreign courts, administration, police and military establishments were admitted on Chinese soil. The right to regulate at will her tariff on imports and exports was lost for the time being. China had to pay damages for injuries to foreign lives and property and heavy war indemnities which have been a burden to her finances ever since. Her very existence was even threatened by the division of her territory into spheres of interests of foreign Powers.

Her defeat in the Sino-Japanese war of 1894-95, and the disastrous consequences of the Boxer uprising of 1900 opened the eyes of some thoughtful leaders to the necessity of fundamental reform. The reform movement was willing at first to accept the leadership of the Manchu house, but turned away from this dynasty after its cause and its leaders had been betrayed to the Empress Dowager, and the Emperor Kwang Hsu was made to expiate his hundred days of reform in virtual imprisonment to the end of his life in 1908.

Manchu Dynasty's Weakness

The Manchu dynasty had ruled China for 250 years. In its later years it was weakened by a series of rebellions: the Taiping rebellion (1850-65); the Mohammedan rising in Yunnan (1856-73), and the risings in Chinese Turkestan (1864-77). The Taiping rebellion especially shook the Empire to its foundation, and dealt a blow to the prestige of the dynasty from which it never recovered. Finally, after the death of the then Empress Dowager in 1908, it collapsed through its own inherent weakness.

After some minor attempts at insurrection, the revolutionaries were succesful in South China. A brief period followed during which a Republican Government was established at Nanking, with Dr. Sun Yat-sen, the leading figure of the Revolution, as provisional President. On February 12, 1912, the then Empress Dowager in the name of the child Emperor signed a decree of abdication, and a provisional constitutional regime, with Yuan Shih-kai as President, was then inaugurated. With the abdication of the Emperor his representatives in provinces, prefectures and districts lost the influence and moral prestige which they had derived from his authority. They became ordinary men, to be obeyed only in so far as they were able to enforce their decisions. The gradual substitution to military for civil governors in the provinces was an inevitable consequence. The post of central executive could, likewise, be held only by the military leader who had the strongest army or was supported by the strongest group of provincial or local military chiefs.

This tendency toward military dictatorship, which was more apparent in the north, was facilitated by the fact that the army had gained some popularity by the support it had given in many instances to the Revolution. Military leaders did not hesitate to lay claim to the merit of having made the Revolution a success. Most of them were northern leaders, to a certain extent grouped together in the so-called Peiyang Party—men who had risen from a low status to higher commands in the model army trained by Yuan Shih-kai after the Sino-Japanese war. They could more or less be trusted by him because of the tie of personal allegiance which, in China, has not yet given place to the corporate loyalty which characterizes organizations in the West. These men were appointed military governors by Yuan Shih-kai in the provinces under his control. There the power rested in their hands and provincial revenues could, accordingly, be taken at will by them to be used for their personal armies and adherents.

In the southern provinces the situation was different, partly as a result of intercourse with foreign countries and partly on account of the different social customs of the population. The people of South China have always been averse to military autocracy and official interference from outside. Dr. Sun Yat-sen and their other leaders remained faithful to the idea of constitutionalism. They had, however, little military force behind them, because the reorganization of the army had not yet progressed very far in the provinces south of the Yangtze, and they had no well-equipped arsenals.

Kuomintang Revolts

When, after much procrastination, the first Parliament was convened in Peking in 1913, Yuan Shih-kai had consolidated his military position, lacked only sufficient financial resources to ensure the loyalty of the provincial armies. A huge foreign loan, the so-called Reorganization Loan, provided him with the necessary financial means. But his action in concluding that loan without the consent of Parliament brought his political opponents of the Kuomintang or Nationalist Party under Dr. Sun's leadership, into open revolt. In a military sense the South was weaker than the North, and was still more weakened when the victorious northern commanders, after conquering a number of southern provinces, placed the latter under northern generals.

There were several attempts to reinstate the 1913 Parliament, which had been dissolved by Yuan Shih-kai, or to convene bogus Parliaments, two attempts to establish monarchical rule, many changes of Presidents and Cabinets, continuous shifting of allegiance among military leaders, and many declarations of temporary independence of one or more provinces. In Canton, the Kuomintang Government, headed by Dr. Sun, succeeded in maintaining itself from 1917 onwards, with occasional intervals during which it ceased to function. During these years China was ravaged by warring factions and the everpresent bandits grew into veritable armies by the enlistment of ruined farmers, desperate inhabitants of famine-stricken districts, or unpaid soldiers. Even the constitutionalists, who were fighting in the South, were re-

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peatedly opposed to the danger of militarist feuds arising in their midst.

In 1923, convinced by Russian revolutionists that a definite program, strict party discipline, and systematic propaganda were necessary to ensure the victory of his cause, Dr. Sun Yat-sen reorganized the Kuomintang with a program which he outlined in his "Manifesto" and "Three Principles of the People." (*) Systematic organization ensured party discpiline and unity of action through the intermediary of a Central Executive Committee. A political training institute instructed propagandists and organisers of local branches, while a military training institute at Whampoo, with the help of Russian officers, was instrumental in providing the Party with an efficient army, the leaders of which were permeated with the idea of the Party. Thus equipped, the Kuomintang was soon ready to establish contacts with the people at large. Sympathisers were organised in local branches or in peasant and labor unions affiliated with the Party. This preliminary conquest of the people's mind was, after the death of Dr. Sun in 1925, followed up by the successful Northern Expedition of the Kuomintang army which by the end of 1928 succeeded in producing a nominal unity for the first time in many years, and a measure of actual unity which lasted for a time.

Military Phase Ended

The first, or military, phase of Dr. Sun's program had thus been brought to a successful end.

The second period of political tutelage under party dictatorship could begin. It was to be devoted to the education of the people in the art of self-government and to the reconstruction of the country.

In 1927 a Central Government was established at Nanking. It was controlled by the party—it was, in fact, merely one important organ of the party. It consisted of five Yuans or Boards (the Executive, the Legislative, the Judicial, the Control, and the Examination Boards). The Government had been modeled as closely as possible on the lines of Dr. Sun's "Five Power Constitution"—the Trias Politica of Montesquieu with the addition of two old Chinese institutions, the Censorate and the Public Services Examination Board—in order to facilitate the transition to the final, or constitutional, stage, when the people, partly directly and partly through its elected representatives, would itself take charge of the direction of its government.

In the provinces, similarly, a committee system was adopted for the organization of provincial governments, while in villages, towns and districts the people were to be trained in the handling of local self-government. The party was now ready to put into operation its schemes of political and economic reconstruction, but was prevented from doing so by internal dissensions, the periodical revolt of various generals with personal armies, and the menace of communism. In fact, the Central Government had repeatedly to fight for its very existence.

For a time unity was maintained on the surface. But not even the semblance of unity could be preserved when powerful warlords concluded alliances among themselves and marched their armies against Nanking. Though they never succeeded in their object, they remained, even after defeat, potential forces to be reckoned with. Moreover, they never took the position that war against the Central Government was an act of rebellion. It was in their eyes simply a struggle for supremacy between their faction and another one which happened to reside in the national capital and to be recognized as the Central Government by foreign Powers. This lack of hierarchical relations is all the more dangerous because serious dissensions in the party itself have weakened the title of the Central Government to be the unquestioned successors of Dr. Sun. The new schism has led to the estrangement of influential southern leaders, who retired to Canton, where the local authorities and the local branch of the Kuomintang frequently acted independently of the Central Government.

From this summary description it appears that disruptive forces in China are still powerful. The cause of this lack of cohesion is the tendency of the mass of the people to think in terms of family and locality, rather than in terms of the nation, except in periods of acute tension between their country and foreign Powers. Although there are, nowadays, a number of leaders who have been above particularist sentiments, it is evident that a national outlook must be attained by a far greater number of citizens before real national unity can result.

Considerable Progress Made

Although the spectacle of China's transitional period, with its unavoidable political, social, intellectual and moral disorder, is disappointing to her impatient friends and has created enmities which have become a danger to peace, it is neverthless true that in spite of difficulties, delays and failures, considerable progress has in fact been made. An argument which constantly reappears in the polemics of the present controversy is that China is "not an organized State" or "is in a condition of complete chaos and incredible anarchy," and that her present-day conditions should disqualify her from membership in the League of Nations and deprive her of the protective clauses of the Covenant. In this connection it may be useful to remember that an altogether different attitude was taken at the time of the Washington conference by all the participating Powers. Yet, even at that time, China had two completely separate Governments, one at Peking and one at Canton, and was disturbed by large bandit forces which frequently interfered with communications in the interior, while preparations were being made for a civil war involving all China. As a result of that war, which was preceded by an ultimatum sent to the Central Government on January 13, 1922, when the Washington conference was still in session, the Central Government was overthrown in May, and the independence of Manchuria from the Government installed at Peking in its place was declared in July by Marshal Chang Tso-lin. Thus, there existed no fewer than three governments professing to be independent, not to mention the virtually autonomous status of a number of provinces or parts of provinces. Although, at present, the Central Government's authority is still weak in a number of provinces, the central authority is not, at least openly, repudiated, and there is reason to hope that if the Central Government as such can be maintained, provincial administration, military forces and finance will acquire an increasingly national character. These, among others, were doubtless the reasons which induced the Assembly of the League of Nations last September to elect China to the Council.

The present Government has tried to balance its current receipts and expenditures and to adhere to sound financial principle. Various taxes have been consolidated and simplified. In default of a proper budgetary system, an annual statement has been issued by the Ministry of Finance. A Central Bank has been established. A National Financial Committee has been appointed, which includes among its members influential representatives of banking and commercial interests. The Ministry of Finance is also trying to supervise the finances of the provinces, where the methods of raising taxes are often still highly unsatisfactory. For all these new measures the Government is entitled to credit. It has, however, been forced by recurrent civil wars to increase its domestic indebtedness by about a billion dollars (silver), since 1927. Lack of funds has prevented it from executing its ambitious plans of reconstruction, or completing the improvement of communications which is so vitally necessary for the solution of most of the country's problems. In many things, no doubt, the Government has failed, but it has already accomplished much.

Nationalism Is Normal

The Nationalism of modern China is a normal aspect of the period of political transition through which the country is passing. National sentiments and aspirations of a similar kind would be found in any country placed in the same position. But, in addition to the natural desire to be free from any outside control in a people that has become conscious of national unity the influence of the Kuomintang has introduced into the nationalism of China an additional and abnormal tinge of bitterness against all foreign influences, and has expanded its aims so as to include the liberation of all Asiatic people still subject to "imperialistic oppression." This is partly due to the slogans of its early communistic connection. Chinese nationalism today is also permeated by memories of former greatness, which it so desires to revive. It demands the return of leased territories, of administrative and other not purely commercial rights exercised by a foreign agency in railway areas, of administrative rights in concessions and settlements, and of extraterritorial rights which imply that foreigners are not amenable to Chinese laws, law courts and taxation. Public opinion is strongly opposed to the continuance of these rights, which are regarded as a national humiliation.

Foreign Powers have in general taken a sympathetic attitude towards these desires At the Washington conference, 1921-22, they were admitted to be acceptable in principle, though there was divergence of opinion as to the best time and method of giving effect to them. It was felt that an immediate surrender of such rights would impose upon China the obligation to provide administration, police and justice of a standard which, owing to financial and other internal difficulties, she could not at present attain. The present single issue of extraterritoriality might lead to a number of separate issues with Foreign Powers if the former were abolished prematurely. It was also felt that international relations would not improve but would deteriorate if foreign nationals were to be exposed to the same unjust treatment and extortionate taxation as Chinese citizens were subjected to in so many parts of the country. In spite of these reservations much was actually accomplished, especially at Washington, or as a result of that conference. China has recovered two out of five leased territories, many concessions, administrative rights in the area of the Chinese Eastern Railway, Customs autonomy, and postal rights. Many treaties on the basis of equality have also been negotiated.

Hampered by Propaganda

Having started upon the road of international co-operation for the purpose of solving her difficulties, as was done at Washington, China might have made more substantial progress in the ten years that have since elapsed had she continued to follow that road. She has only been hampered by the virulence of the anti-foreign propaganda which has been pursued. In two particulars has this been carried so far as to contribute to the creation of the atmosphere in which the present conflict arose, namely, the use made of the economic boycott, to which reference is made in Chapter VII, and the introduction of anti-foreign propaganda into the schools.

It is provided in the Provisional Constitution of China promulgated on June 1, 1931 that "the Three Principles of the People shall be the basic principles of education in the Republic of China." The ideas of Dr. Sun Yat-sen are now taught in the schools as if they had the same authority as that of the Classics in former centuries. The sayings of the Master receive the same veneration as the sayings of Confucius received in the days before the Revolution. Unfortunately, however, more attention has been given to the negative than to the constructive side of nationalism in the education of the young. A perusal of the textbooks used in the schools leaves the impression on the mind of a reader that their authors have sought to kindle patriotism with the flame of hatred, and to build up manlinesss upon a sense of injury. The result of this virulent anti-foreign propaganda, begun in the schools and carried through every phase of public life, has been to induce the students to engage in political activities which sometimes have culminated in attacks on the persons, homes or offices of Ministers and other authorities, and in attempts to overthrow the Government. Unaccompanied by effective internal reforms or improvements in national standards, this attitude tended to alarm the Foreign Powers and to increase their reluctance to surrender the rights which are at the moment their only protection.

In connection with the problems of maintaining law and order, the present inadequate means of communication in China is a serious handicap. Unless communications are sufficient to ensure prompt transportation of national forces, the safeguarding of law and order must largely, if not completely, be entrusted to provincial authorities, who on account of the distance of the Central Government, must be allowed to use their own judgment in handling provincial affairs. Under such conditions independence of mind and action may easily cross the boundary of law, with the result that the province gradually takes on the aspect of a private estate. Its armed forces are also identified with their commander, not with the nation. The transfer of a commander from one army to another by order of the Central Government is, in many cases, impossible. The danger of civil war must continue to exist so long as the Central Government lacks the material means to make its authority swiftly and permanently felt all over the country.

Banditry Nationwide

The problem of bandity, which may be traced throughout the history of China, and which exists today in all parts of the country, is subject to the same considerations. Banditry has always existed in China and the administration has never been able to suppress it thoroughly. Lack of proper communications was one of the reasons which prevented the administration from getting rid of this evil which

(*) National independence, democratic government and social reorganization.

increased or decreased according to changing circumstance. Another contributory cause is to be found in the local uprisings and rebellions which have often occurred in China, especially as a result of maladministration. Even after the successful suppression of such rebellions, bandit gangs recruited from the ranks of the rebels often remained active in parts of the country. This was especially the case in the period following the suppression of the Taiping Rebellion (1850-65). In more recent times bandits have also originated from the ranks of unpaid soldiers who were not able to find other means of living and had been accustomed to looting during the civil wars in which they had taken part.

Other causes which have given rise to an increase of banditry in parts of China were floods and droughts. These are more or less regular occurrences, and they have always brought famine and banditry in their wake. The problem has been further aggravated by the pressure of a rapidly increasing population. In congested areas normal economic difficulties were still further increased, and among people living on a bare subsistence level with no margin to meet times of crises the slightest deterioration in the conditions of life might bring large numbers to the point of destitution. Banditry, therefore, has been largely influenced by the prevailing economic conditions. In prosperous periods or districts it has diminished, but where for any of the reasons mentioned the struggle for existence was intensified or the political conditions were disturbed, it was sure to increase.

When once banditry had become well established in any area, its suppression by force was rendered difficult because of the defective communications in the interior of the country. It is in regions which are difficult of access, where a few miles may involve days of travel, that large armed bands can more freely, appearing and disappearing suddenly, without their abodes and movements being known. When bandit suppression has been long neglected, and when the soldiers even co-operate with bandits secretly, as has happened often enough, traffic along highways and waterways is interfered with. Such occurrences can only be stopped by adequate police forces. In the districts of the interior, bandit suppression is much more diffcult, because guerilla warfare inevitable develops.

But though the personal armies of local generals and the prevalence of bandit hordes throughout the country may disturb the internal peace of the country, they are no longer a menace to the authority of the Central Government as such. There is, however, a menace of this kind from another source, namely, Communism.

Communism Starts in 1921

The communist movement in China, remained restricted within intellectual and labor circles, where the doctrine gained considerable influence in the period 1919-24. Rural China was, at that time, scarcely touched by this movement. The manifesto of the Soviet Government of July 25, 1919, declaring its willingness to renounce all privileges "extorted" from China by the former Tsarist Government, created a favorable impression throughout China, especially among the intelligentsia. In May, 1921, the "Chinese Communist Party" was formally constituted. Propaganda was especially conducted in labor circles at Shanghai, where Red syndicates were organized. In June, 1922, at its second Congress, the Communist Party which did not then number more than three hundred members, decided to ally itself with the Kuomintang. Dr. Sun Yat-sen, although opposed to the communist doctrine, was prepared to admit individual Chinese Communists into the party. In the autumn of 1922 the Soviet Government sent a mission to China, headed by Mr. Joffe. Important interviews, which took place between him and Dr. Sun resulted in the joint declaration of January 26, 1923, by which assurance was given of Soviet sympathy and support to the cause of the national unification and independence of China. It was explicitly stated, on the other hand, that the communist organization and the Soviet system of government could not be introduced at that time under the conditions prevailing in China. Following this agreement, a number of military and civil advisors were sent from Moscow by the end of 1923, and "undertook, under the control of Dr. Sun, the modification of the internal organization of the Kuomintang and of the Cantonese Army."

At the first National Congress of the Kuomintang, convened in March, 1924, the admission of Chinese Communists into the party was formally agreed to, on the condition that such members should not take any further part in the preparation of the proletarian revolution. The period of tolerance with regard to communism thus began.

This period lasted from 1924 until 1927. Early in 1924 the Communists counted about 2,000 adherents, and Red syndicates approximately 60,000 members. But the Communists soon acquired enough influence inside the Kuomintang to raise anxiety among the orthodox members of that party. They presented to the Central Committee, at the end of 1926, a proposal going so far as to include the nationalization of all landed properties except those belonging to workmen, peasants or soldiers; the reorganization of the Kuomintang; the elimination of all military leaders hostile to communism; and the arming of 20,000 Communists and 50,000 workmen and peasants. This proposal, however, was defeated and the Communists ceased to support the intended campaign of the Kuomintang against the Northern militarists although they had previously been most active in the organization of the Nationalist forces. Nevertheless, at a later stage they joined in it, and when the Northern Expedition reached Central China and established a Nationalist Government at Wu-Han, in 1927, the Communists succeeded in obtaining a controlling position in it, as the Nationalist leaders were not prepared to join issue with them until their own forces had occupied Nanking and Shanghai. The Wu-Han Government put into operation, in the provinces of Hunan and Hupeh, a series of purely communistic measures. The Nationalist Revolution was almost on the point of being transformed into a Communist Revolution.

No Longer Tolerated

The Nationalist leaders at last decided that communism had become too serious a menace to be tolerated any longer. As soon as they were firmly established at Nanking, where another National Government was constituted on April 10, 1927, a proclamation was issued in which the Nanking Government ordered the immediate purification of the army and the civil service from communism. On July 15 the majority of the Central Executive of the Koumintang at Wu-Han, who had so far refused to join the Nationalist leaders at Nanking, adopted a resolution excluding Communists from the Kuomintang and ordering the Soviet advisers to leave China. As a result of this decision, the Kuomintang regained its unity, and the Government at Nanking became generally recognized by the party.

During the period of tolerance, several military units had been gained to the communist cause. These had been left in the rear, mostly in Kiangsi Province, when the Nationalist Army was marching

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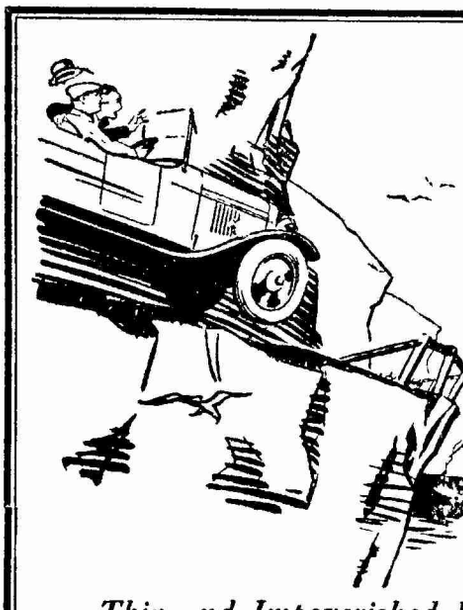

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to the North. Communist agents were sent to co-ordinate these units and to persuade them to take action against the National Government. On July 30, 1927, the garrison at Nanchang, the capital of Kiangsi Province, together with some other military units, revolted and subjected the population to numerous excesses. However, on August 5 they were defeated by the Government forces and withdrew to the south. On December 11 a communist rising at Canton delivered control of the city for two days into their hands. The Nanking Government considered that official Soviet agents had actively participated in these uprisings. An order of December 14, 1927, withdrew the exequatur of all the consuls of the U.S.S.R. residing in China.

The recrudescence of civil war favored the growth of communist influence in the period between 1928 and 1931. A Red Army was organized, and extensive areas in Kiangsi and Fukien were sovietized. Only in November, 1930, shortly after the defeat of a powerful coalition of northern militarists, was the Central Government able to take up the suppression of communism in earnest. The communist forces had operated in parts of Kiangsi and Hunan Provinces, and were then reported to have caused in two or three months the loss of 200,000 lives and of property valued at about one billion dollars (silver). They had now become so strong that they were able to defeat the first and frustrate the second expedition sent against them by the Government. The third expedition, directed by the Commander-in-Chief, General Chiang Kai-shek, defeated the communist armies in several encounters. By the middle of July, 1931, the most important communist strongholds had been taken, and their forces were in full retreat toward Fukien.

Whilst constituting a political commission to reorganize the areas which had been devastated, General Chiang Kai-shek pursued the Red armies, and drove them into the mountianous region southeast of Kiangsi.

The Nanking Government was thus on the point of putting the principal Red army out of action, when events occurred in different parts of China which obliged them to suspend this offensive, and to withdraw a large part of their troops. In the North had occurred the rebellion of General Shih Yu-san, supported by a hostile intervention on the part of the Cantonese troops in the province of Hunan; simultaneously with this intervention came the events of September 18 at Mukden. Encouraged by these circumstances, the Red resumed the offensive, and before long the fruits of the victorious campaign were almost completely lost.

Some Areas Sovietized

Large parts of the provinces of Fukien and Kiangsi, and parts of Kwangtung, are reliably reported to be completely sovietized. Communist zones of influence are far more extensive. They cover a large part of China south of the Yangtsze, and parts of the provinces of Hupeh, Anhwei, and Kiangsi north of that river. Shanghai has been the center of communist propaganda. Individual sympathziers with communism may probably be found in every town in China. So far two provincial communist governments only have been organized in Kiangsi and Fukien, but the number of minor soviets runs into hundreds. The communist government itself is formed by a committee elected by a congress of local workers and peasants. It is, in reality, controlled by representatives of the Chinese Communist Party, which sends out trained men for that purpose, a large number of whom have been previously trained in the U.S.S.R. Regional committees under the control of the Central Committee of the Chinese Communist Party, in their turn control provincial committees and these, again, district committees, and so on, down to the communist cells organized in factories, schools, military barracks. etc.

When a district has been occupied by a Red Army, efforts are made to sovietize it, if the occupation appears to be of a more or less permanent nature. Any opposition from the population is suppressed by terrorism. A communist government, as described, is then established. The complete organization of such governments comprises: Commissariats for Internal Affairs, for the struggle against the anti-revolutionaries (G. P. U.), for Financial Affairs, for Rural Economy, for Education, for Hygiene, for Post and Telegraph, for Communications; and Committees for Military Affairs and for the control of workmen and peasants. Such elaborate government organizations exist only in completely sovietized districts. Elsewhere the organization is more modest.

The program of action consists in the cancellation of debts, the distribution among landless proletarians and small farmers of land forcibly seized, either from large private owners or from religious institutions, such as temples, monasteries and churches, Taxation is simplified; the peasants have to contribute a certain part of the produce of their lands. With a view to the improvement of agriculture, steps are taken to develop irrigation, rural credit systems, and co-operatives. Public schools, hospitals and dispensaries may also be established.

Thus the poorest farmers derive considerable benefit from communism, whereas the rich and middle-class landowners, merchants and local gentry are completely ruined, either by immediate expropriation or by levies and fines; and in applying its agrarian program the Communist Party expects to gain the support of the masses. In this respect, its propaganda and action have met with considerable success notwithstanding the fact that communist theory conflicts with the Chinese social system. Existing grievances resulting from oppressive taxation, extortion, usury and pillage by soldiery or bandits, were fully exploited. Special slogans were employed for farmers, workmen, soldiers and intellectuals, with variations especially adapted to women.

Communism in China not only means, as in most countries other than the U.S.S.R., either a political doctrine held by certain members of existing parties, or the organization of a special party to compete for power with other political parties. It has become an actual rival of the National Government. It possesses its own law, army and government, and its own territorial sphere of action. For this state of affairs there is no paralled in any other country. Moreover, in China the disturbance created by the communist war is made more serious by the fact that the country is going through a critical period of internal reconstruction, still further complicated during the last eleven months by an external crisis of exceptional gravity. The National Government seems to be determined to regain the control of the districts under communist influence, and to pursue in these districts, once their recovery is achieved, a policy of economic rehabilitation; but in its military campaigns, apart from difficulties already mentioned, both internal and external, which weaken its position, it is hampered by lack of funds and defective communications. The problem of communism in China is thus linked with the larger problem of national reconstruction.

In the summer of 1932 important military operations, having for their object a final suppression of the Red resistance, were announced by the Government of Nanking. They were commence,d and, as stated above, were to have been accompanied by a thorough social and administrative reorganization of the recaptured regions. But up to the present no important results have been announced.

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So far as Japan is China's nearest neighbor and largest customer she has suffered more than any other Power from the lawless conditions described in this chapter. Over two-thirds of the foreign residents in China are Japanese, and the number of Koreans in Manchuria is estimated at about 800,000. She has more nationals, therefore, than any other Power who would suffer if they were made amenable to Chinese law, justice and taxation under present conditions.

Japan felt it impossible to satisfy Chinese aspirations so long as satisfactory safeguards to take the place of her treaty rights could not be hoped for. Her interests in China, and more especially in Manchuria, began to be more prominently asserted as those of the other major Powers receded into the background. Japan's anxiety to safeguard the life and property of her subjects in China caused her to intervence repeatedly in times of civil war or of local disturbances. Such action was bitterly resented by China, especially when it resulted in an armed clash such as occurred in 1928 at Tsinan. In recent years the claims of Japan have come to be regarded in China as constituting a more serious challenge to national aspirations than the rights of all the other Powers taken together.

Of International Interest

This issue, however, though affecting Japan to a greater extent than other Powers, is not a Sino-Japanese issue alone. China demands immediately the surrender of certain exceptional powers and privileges because they are felt to be derogatory to her national dignity and sovereignty The foreign Powers have hesitated to meet these wishes as long as conditions in China did not ensure adequate protection of their nationals, whose interests depend on the security afforded by the enjoyment of special treaty rights. The process of fermentation, inevitable in a period of transition, which this chapter has attempted to describe, has developed forces of public opinion which will probably continue to embarrass the Central Government in the conduct of their foreign policy, as long as they are weakened by failure to complete the unification and reconstruction of the country. The realization of China's national aspirations in the field of foreign relations depends on her ability to discharge the functions of a modern government in the sphere of domestic affairs, and until the discrepancy between these has been removed, the danger of international friction and of incidents, boycotts and armed interventions will continue.

The present extreme case of international friction having forced China once more to seek the intervention of the League of Nations, should, if a satisfactory settlement can be effected, convince her of the advantages of the policy of international co-operation which was inaugurated at Washington with such beneficial results in 1922. China has not at the moment the capital nor the trained specialists necessary for the unaided accomplishment of her national reconstruction. Dr. Sun Yat-sen himself realized this, and actually drew up an ambitious plan of international participation in the economic development of his country. The National Government, too, has in recent years sought and accepted international help in the solution of her problems—in financial matters since 1930, in matters relating to economic planning and development in liaison with the technical organizations of the League of Nations since the constitution of the National Economic Council in 1931, and in relief of the distress caused by the great flood of the same year. Along this road of international co-operation China would make the surest and most rapid progress toward the attainment of her national ideals, and such a policy would make it easier for foreign Powers to give what support the Central Government may seek, and to help in the removal as rapidly and as effectively as possible of any causes of friction which may endanger her peaceful relations with the rest of the world.

(To be Continued)

Who's Who in China

Yue Tsze-ying, business leader and welfare worker; native of Tinghai, Chekiang; born at Shanghai, Kiangsu, 1891; received his Chinese education under private tutors and modern education in various schools in Shanghai; participated in the First Revolution while young, serving under the late Gen. Chen Chi-mei, then Military Governor of Shanghai; entered business after establishment of the Republic and first worked in the German firm Messrs. Garrels Borner & Co., with which he was connected for five years, serving as chief assistant in the Insurance Department and winning recognition of his employers; after the World War broke out in 1914, he resigned from the Company to accept a post as assistant Chinese manager of Messrs. A. E. S. Thompson & Company in Shanghai; Since joining the firm for two years, he became concurrently Chinese manager of Messrs. Theodore Sopher & Company at Shanghai and Hankow; later, he resigned from A. E. S. Thompson & Co., and devoted his services to Theodore Sopher & Co., and concurrently served as Chinese manager of Messrs. Edward Ezra & Co., and the *China Press* which then was a subsiduary of Messrs. Edward Ezra & Co.; these three positions he held concurrently for about 15 years; in 1931, he was offered the post of Chinese Manager of the International Export Company at Nanking which he held for one year; upon the request of the management of Messrs. Theodore Sopher & Co. and Edward Ezra & Co., he returned to Shanghai and rejoined the two firms as Chinese manager which position he is now holding; due to his extensive business connections, he has been well-known in Chinese business and political circles, having served successively as advisor to Marshal Lu Yung-Hsiang (Military Governor of Chekiang), Gen. Ho Feng-ling (then Defense Commissioner of Shanghai and Woosung) and Marshal Chang Hsueh-liang in 1925; also an enthusiastic social worker, having contributed liberally to charitable and educational institutions in Shanghai and in other places; address: 14 Kiukiang Road, Shanghai.

Yue Tzse-ying (Yu Tsi-ying)
俞子英

俞子英，浙江定海人，年四十一歲，因父經商滬濱，遂寄籍上海，幼時延師習中文，繼入學校肄業，接受新知識，成年時，曾參加第一次革命，追隨故上海都督陳其美先生，民國成立後，遂擺脫革命工作，從事經商，初任職於上海德商咪吔洋行，前後共計五年，頗得該行當局之信任，繼以歐戰爆發，遂辭去該職，改任滬福興洋行副華經理，二年後。兼任上海及漢口沙發洋行華總經理，旋辭去福興洋行職務，專任職於沙發洋行，同時兼任新康洋行及大陸報館華經理，前後任職共約十五年之久，一九三十一年被任南京和記洋行華經理一載，繼因滬沙發及新康洋行當局之敦促，復返滬，現仍任該兩行之華經理，俞君人極幹練，和藹可親，故交遊甚廣，曾任前浙江督軍盧永祥及前淞滬鎮守使何豐林暨張學良將軍之顧問，並熱心慈善及教育事業，加惠貧寒，深爲滬人士所推許，通信處，上海九江路十四號新洋行，

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Men and Events

Regular omnibus services on the newly constructed Shanghai-Hangchow Highway were started October 16.

Long-distance telephone communication on the Hsuchow-Tsinan section of the Tientsin-Pukow Railway was inaugurated October 14.

Akira Ariyoshi, Japanese Minister to China, proceeded to Peiping, during the week. He intimated that he would meet General Chang Hsueh-liang.

Mrs. H. D. Robinson, wife of the U. S. Trade Commissioner at Shanghai, has returned from a vacation spent at her home in the United States.

The death occurred in Paris, France, October 13, at the age of 73, of Pere Louis Froc, for many years director of Siccawei Observatory at Shanghai.

An announcement was made at Tokyo October 18 by the Imperial Household Department that a "happy" event of Her Majesty the Empress will take place next spring.

Max Friedman, sales manager of China Motors, local headquarters for Dodge, Standard, and Hupmobile cars, has returned to Shanghai from a holiday spent in Tsingtao.

The Taian (Japanese) cotton-spinning company, at Hankow, which had been closed since October last year owing to the anti-Japanese boycott, was reopened Oct. 14.

The Fourth Regment U. S. Marine Corps will hold a ball in the Cercle Sportif Francais November 10 in commemoration of the 157th anniversary of the U. S. Marine Corps.

Belated reports from Kansu Province state that a severe earthquake occurred in the Poyuan region on the night of October 5. It lasted five minutes and many people were injured.

Messrs. L. Everett, Inc., announce their appointment as agents for the Kellogg Steamship Company, operating a fleet of oil tankers from the Far East to United States Atlantic ports.

Tokuzo Komai, Councillor to the Manchukuo government, is expected to visit Peiping in a private capacity shortly on an important mission, according to a recent telegram from Changchun.

The death occurred in Shanghai October 8 of Miss Anna Dittmar, who had came to Shanghai only a short time ago from America, following an extended tour. Her home was in Munich, Germany.

Bunji Suzuki, Advisor to the Social People's Party, is due to depart from Tokyo for Geneva October 18 together with Yusuke Matsuoka, Japan's Chief Delegate to the forthcoming Assembly of the League of Nations.

Dr. Trautmann, German Minister to China, came down to Nanking from Peiping last week. He called on Dr. Lo Wen-kan, Minister of Foreign Affairs, at the Waichiaopu. The German Minister was later a guest of Minister Lo at a dinner.

The 47th anniversary of the kidnapping and confinement of the late Dr. Sun Yat-sen by the Chinese Imperial Legation in London in 1895 was commemorated at a memorial service held at Central Party Headquarters in Nanking October 11.

An experimental farm for the rearing of live-stock is soon to be established on the Chiuhuashan, near Nanking, by the Ministry of Industry. When it is completed the ranches now being operated at Kalgan and in Anhwei will be temporarily closed.

Thirty-three passengers and one engine stoker were injured in a railway accident on the Tientsin-Pukow Railway near Sanchieh Station, about 50 miles north of Pukow in Anhwei October 12. The mishap was attributed to a faulty coupling device.

The Pan-Pacific Association of Shanghai has arranged for motor excursions to Hangchow over the weekends of October 22-23 and 29-30. The cost of the trip will be $29, inclusive of motor car, boat hire, hotel charges, sightseeing, tips and guide.

David A. Brown, well-known American relief worker and Chairman of the China Famine Relief, U. S. A. Incorporated, will arrive in Peiping shortly, according to information recently received from the China International Famine Relief Commission.

The Chengting-Taiyuan Railway, which has been under French control since 1902, was taken over by the Ministry of Railways October 15 when the loan contract between the Chinese Government and the French interests that financed the Railway expired.

Members of the Japanese Imperial family were among those who heard Mr. Yoshida, Japanese Assessor to Lord Lytton's Commission of Enquiry, speak on the Lytton Report, at a tea party given at the residence of Prince Nashimoto, in Tokyo, October 15.

With a view to the hydro-electric development of the Yangtsze river, a party of engineers, representing the National Reconstruction Commission and the Yangtsze River Conservancy Board, will leave Hankow October 25 for an inspection and survey of the river.

Following the bankruptcy of four of the five leading match manufacturers in Shansi province recently, the Provincial Department of Industry is instituting investigations into the trade with a view to ascertaining the cause for the depression and to formulate measures of relief.

Tokyo telegrams state that Hsieh-shih, the Manchukuo Foreign Minister, is being received with enthusiasm during his present tour of Japan. Among the visits he made was a call on the Japanese Emperor to whom he expressed his thanks for the recognition accorded to Manchukuo. Mr. Hsieh, although of Chinese blood, was born in Formosa, hence is a Japanese subject.

Lin Sen, president of the National Government, who went to Fukien Province recently to mediate in the civil troubles in that province, incidentally visiting his native town (Hsiangshan), left Foochow October 13 for Amoy, whence he was expected to sail on his return to Shanghai in the near future.

The Japanese Cabinet decided on October 15 that Japan will participate in the Chicago Exposition next year. More than half a million yen will be paid by the Japanese government to subsidize the exposition of Japanese goods. Japan was one of the leading exhibitors at the Sesqui-Centennial in Philadelphia several years ago.

Shang Ching, who was involved in the so-called Yung Nien opium scandal, and who was recently detained by the authorities at Chungking, is reported to have escaped under disguise. Mr. Shang travelled in the same boat with Wang Po-chun, the former Minister of Communications. It is alleged that opium was found in his luggage.

It is reported from Peiping that the Imperial Tomb of the ancestors of Prince Tsai Hsun of the Ching Dynasty has been rifled by bandits. The tomb was torn open by a bomb, the robbers seizing more than 300 rare pearls, 5 jade Buddhas, 8 golden Buddhas, 10 silver ingots weighing 500 ounces each and a large number of other valuables.

There has been such an abundance of rice in this year's harvest in many parts of China, particularly in the Shanghai district, that there has been a sharp drop in price. Rice merchants generally are urging the National Government to oppose the importation of wheat from foreign countries, particularly from the United States.

The Noulens couple, now serving life imprisonment for Communist activity, are engaged in the prison book-binding department, according to a report published in the Chinese newspapers. They are confined in the Jao Dah Shih First Prison at Nanking. Both are reported to be in good health and have expressed themselves as satisfied with their treatment.

Lee E. Olwell, a vice-president of the National City Bank of New York has resigned his position to become publisher of Hearst's *New York Evening Journal*. Mr. Olwell spent considerable time in the Far East shortly after he joined the National City Bank about five years ago.

Wang Ching-wei Decides to Depart for Germany

Wang Ching-wei, ex-president of the Executive Yuan, on the advice of his physician, will leave Shanghai Saturday October 22, for Germany, to undergo special medical treatment. He will sail by the French liner, *Andre Lebon*. Mr. Wang's decision to leave the country has created quite a stir in Chinese political circles and a conference of Nanking leaders gathered in Shanghai during the week for a discussion with him, particularly on the Lytton report. T. V. Soong, Minister of Finance, and acting president of the Executive Yuan took part in the conference. The departure of Mr. Wang, it is rumored, will pave the way for the return to power of Sun Fo.

New Books of Interest in the Far East

Herbert Hoover Is Exonerated

The Truth About Hoover, by Herbert Corey. Houghton, Mifflin and Co., Boston and New York. $2.50 (U. S.)

Following upon five libellous and scurrilous attacks upon the President of the United States through as many books, this effort to investigate the charges and give the truth to the American public is most timely. It is highly important that on the eve of election, some defence of the man, whose integrity has been impugned and character besmirched, who cannot by the very nature of his position attempt to defend himself, should be made. This author who claims only to be a reporter after the facts, never intimately associated with Herbert Hoover, as disinterested as any writer could be, has gone thoroughly into his investigation and gives chapter and verse for his every refutation.

It would not seem worthwhile to reply to the books that have said nothing good and everything slanderous about Hoover, were it not for the fact that so many people have believed the malicious things written. Corey openly exposes them by name and leaves them not a leg to stand upon. The first writer who attacked Herbert Hoover was John Hamill, and on his book the other four were based. "Constitution" O'Brien, who was first the friend and then, the victim of the man Hamill (who stole his manuscript), was the second writer. Then followed Clement Wood, whose only addition to the Hamill material was an attack on the Quakers; Walter Liggett, who undertook to raise money for Russian relief under circumstances such that Hoover put his committee out of business; and lastly Thomas J. Dockerty, once a reporter for Hearst and intimate with persons in loud opposition to President Hoover's program for cutting down naval armament. Anyone who has read one or more of the books by these men, owes it to himself and the cause of truth to read this complete refutation of their attacks.

It is only human nature probably in time of depression and financial crisis to blame the man at the helm for the storm. And yet for four years preceding the stock crash of 1929 Hoover had warned American buyers against lending credit or buying bonds abroad unless the money were to be used for productive enterprises. He knew as a matter of history that depression was bound to follow the world war. He labored, by his National Distribution Conference in 1925 and by the Pan-American Commercial Conference in 1927, to prepare the country to weather the inevitable storm. In 1929 he suggested the Agricultural Marketing Act which, in spite of all the criticism levelled against it enabled wheat and cotton growers to realize $610,000,000 more than they would otherwise have done. At his suggestion Congress gave the Federal Land Bank System $125,000 000 additional capital and created the National Credit Corporation which later gave place to the Reconstruction Finance, both constructive measures. He insisted that the budget be balanced and (be it said to the credit of a criticizing Congress) was loyally supported by a non-partisan majority in the House who knew that he was right.

Every step in his engineering past has been questioned by the five men who have distorted truth and quoted half-truths to break down public confidence in the President of of the United States. But the reporter Corey has established correspondence with the heads of firms in Europe, China and Australia and secured documentary evidence on every case which they misrepresented. In every instance Hoover's record is unimpeachable and the facts prove him to have been a competent and incorruptible mining engineer, never a speculator or promoter. One instance only can be cited here. There are literally dozens well-authenticated in the book. Much was made of the Kaiping Mining case by those who have tried to besmirch Hoover's name. The February 20th issue of *Collier's Weekly* for this year (1932) gives a complete rebuttal to their case. Arthur Train, known as the most fearless and effective prosecuting attorney New York City ever had, went through every phase of the Kaiping case, including two or more million words of testimony, the complete text of the judge's decision and the correspondence with every living man who knew the facts His story in *Collier's* completely exonerates Hoover, who was the most valuable witness in the case, but not a principal who hoped to gain by the decision as his enemies tried to make out.

It is of interest to us in China to know that Dr. Tong Shao-yi, veteran statesman, wrote this:

"I have been informed that various persons in the United States and China have been making preposterous insinuations with respect to Herbert Hoover in relation to transactions with the Chinese Engineering and Mining Co. in China more than a quarter of a century ago . . . . I make this explanation in the interests of justice and accuracy. These false rumors, which date back to events which transpired twenty-eight years ago, seem to me wickedly inspired. Mr. Hoover's record in China was not only clean and honorable, but highly creditable, and in many ways remarkable."

Most of the world knows that for a period of four years during and following the World War, Hoover through the Commission for Relief in Belgium kept food going to ten million people; many of whom would otherwise most certainly have starved. In order to manage this gigantic enterprise, he resigned from every other position which he held at a personal sacrifice of thousands of dollars. Even this marvelous piece of humanitarian service has been twisted and mangled by the scandalmongers. Fortunately, for those who wish to know the truth, the story can be found in concise form in the "Encyclopaedia Brittannica" and the audited records of the Commission have been preserved through these sixteen subsequent years so that any accusation brought to-day can be promptly and conclusively met.

The book should be read for its facts, rather than for its style. The author, who claims only to be a reporter, cannot lay claim to literary merit for his book. He has, however, done what he set out to do: told the truth about Hoover in a wholly convincing manner. It should be read by Republican and Democrat alike, and by citizens of other lands who have been misinformed about the President of the United States.

G. T. F.

"Foreign Affairs" Commemorates Tenth Anniversary with Special Edition

Foreign Affairs, published quarterly by the Council on Foreign Relations in New York City, celebrated the tenth anniversary of its foundation by publishing a special edition. Among the contributors is Sir Arthur Salter, leading British economist, who was is China last year to gather information on China's political and economic life at first hand. Another contributor is Sir Frederick Whyte, who until recently was Political Advisor to the Chinese Government. Still another contributor who takes a special interest in China, and who spent several months in this country a few years ago, is Count Carlo Sforza, former Italian Minister of Foreign Affairs. There is a general consensus of opinion among the writers that high tariffs are barriers to world trade and that a general trend away from intense nationalism will improve the economic conditions of people throughout the world generally.

READERS of *The China Weekly Review* who may be interested in obtaining copies of any books which have been reviewed in these columns, may obtain them by sending their orders in care of *The Review*....If obtainable in Shanghai the books will be mailed immediately at retail prices prevailing in Shanghai, plus postage, or if not obtainable here, they will be ordered from the publishers abroad. Send orders or inquiries to Book Editor, *The China Weekly Review*. 38 Avenue Edward VII, Shanghai.

Peiping Responds to General Chiang's Appeal for Relief

A party of investigators is being sent from Peiping to Honan, Hupeh and Anhwei to study the situation in the various districts recently recaptured by Government troops from the communist bandits.

The decision to send the investigators was reached at a meeting of representatives of various relief organizations and banks held under the chairmanship of Mayor Chou Ta-wen October 15 to consider what Peiping should do in the way of alleviating the sufferings of the stricken in these three provinces.

The meeting came as a sequel to General Chiang Kai-shek's recent circular.

Manchukuo Foreign Minister, in Japan, Speaks on Extrality

Foreign Powers will voluntarily surrender the extra-territoriality they now enjoy in Manchuria as soon as the Manchukuo Government perfects its domestic administration, Hsieh Chieh-shih, Minister of Foreign Affairs for Manchukuo, is quoted as saying on his arrival in Japan beginning of the week.

Meanwhile, Manchukuo authorities are studying the possibilities of a non-aggression treaty between Russia, Japan and the new State but Mr. Hsieh said he believed Russia is taking the matter too seriously.

"Our relations are excellent and Manchukuo should not rush the matter of treaties," said Mr. Hsieh. "There are at present no indications of any aggressive moves against us."

Japanese Ambassador to Moscow Favors Non-Aggression Pact

Koki Hirota, Japan's Ambassador to Russia, in a recent statement said the Soviet Government has in fact recognized the new State of Manchukuo by permitting Manchukuo consuls to establish their posts within Russian borders.

The relations of Manchukuo and Japan with Russia were satisfactory, he said. Concentration of Soviet troops at various points in Siberia near the Manchurian border was not a hostile action, he added.

The Ambassador said he personally favored the conclusion of a Russo-Japanese non-aggression pact with regard to Manchukuo.

Harbin Paper Says Peace or War Rests with Russia

In a temperately worded article, the *Harbin Times*, a Japanese subsidized newspaper, recently discussed the possibilities in Manchuria under the caption, "War or Peace in Manchuria Depends on the USSR." Reviewing the westward situation and attitude of Soviet Russia, the article unmistakeably conveys a warning to Russia and goes on to give what is generally regarded as confirmation of reports that the Japanese consider that Russian military authorities are endeavoring to absorb the Barga area into Soviet territory. It argues that Japan is ready for peace or war and the issue rests with Russia. It says that the activities of the Komintern in Manchuria must cease and that Japan will take firm measures if the Soviet disturbs the peace and order of Manchukuo.

Soviets Continue to Remove C.E.R. Locomotives

The evacuation of Chinese Eastern railway property to Russian territory, which caused such a stir shortly after the Japanese occupation of Mukden, is still going on, according to reports received in Harbin during the week. It is stated that since October 10 no less than 20 powerful locomotives have been sent out of Manchuria to Russian territory, some crossing the border at Pogranitchanya and the others at Manchuli.

British Woman Murdered by Bandits at Harbin

Mrs. C. T. Woodruff, wife of the accountant of the British-American Tobacco Company at Harbin, was brutally murdered by Chinese bandits, October 18. Mrs. Woodruff was taking her children to school in a motor-car when three Chinese bandits, all armed, stopped the car and attempted to abduct her for ransom. When Mrs. Woodruff offered resistance she was immediately shot dead. Many arrests have been made in connection with the incident.

The murder of Mrs. Woodruff has focussed attention on the menace from bandits in Harbin in a way in which no previous outrage has and one of the results has been a meeting of the Consular Body in that city to discuss or devise measures of protection. The chief of police has promised to improve the policing of the city.

Civil Affairs Conference to Be Held in December

A civil affairs conference is announced by the Ministry of Interior to be convened in December for the discussion of problems regarding political reforms and the rehabilitation of bandit areas. Representatives of all Provincial Governments will participate. It was originally planned to summon the Provincial Commissioners of Civil Affairs of Hunan, Kiangsi, Hupeh, Anhwei and Honan to Nanking for a conference to discuss rehabilitation measures for areas recently recovered from the "Reds" in these provinces. It has now been decided that the scope of the conference be extended.

Kind Words for China from Carnegie Endowment

To the Editor, *The China Weekly Review*:—

In conjunction with the Lytton Report and a variety of opinions on it the following quotation from the letter of Andrew Carnegie to the Trustees of his Peace Fund deserves consideration:

(1) "Altho we no longer eat our fellowmen, nor torture prisoners, nor sack cities killing their inhabitants, we still kill each other in war like barbarians. Only wild beasts are excusable for doing that in this, the Twentieth Century of the Christian era, for the crime of war is inherent, since it decides not in favor of the right, but always of the strong. The nation is criminal which refuses arbitration and drives it adversary to a tribunal which knows nothing of righteous judgment."

To thoughtful observers of the serious Far Eastern situation as well as responsible statesmen, the following passage seems most significant—which is found in the last annual report of the Director of the Division of Intercourse and Education of the Carnegie Endownment for International Peace:

"These have been," it reads, "those grave and ominous developments in the East which have absorbed the world's attention for months past. No matter how disorganized the Chinese people may be and no matter what the incidental and local provocations which may have been given to Japan, that country which has for a generation past taken so large and so helpful a part in the efforts to build a new world of international co-operation has now so acted as to forfeit public confidence and public esteem. It may be, as alleged, that the militaristic elements in Japan have been too strong for the civil government and have insisted on going their way regardless of consequences. Be that as it may, what has taken place in Manchuria and in China has been carried forward with so little regard for the public opinion of the world and with so little respect for existing treaties, particularly the Pact of Paris, that a grave blow has been struck at the integrity and effectiveness of those institutions upon which alone the world can depend for constant prosperity and peace. It must be repeated over and over again that these institutions rest, and can only rest, on a moral foundation and not on one of force. If the moral foundations fail, the institutions themselves break down. There is no substitute for moral obligation and national good faith."

J. USANG LY.

Chiaotung University, Shanghai, Oct. 13, 1932.

Full Text of Lytton Report Distributed in China

The full text of the Lytton Report was released throughout China October 11. 5,000 copies of the Chinese translation and 1,000 copies of the English original of the Report were printed as a first edition. Two hundred copies each of the Chinese translation of the Report were sent to Shanghai, Peiping, Tientsin and one hundred copies to Hankow. Copies were forwarded to all members of the C.E.C., of the National Government Committee, the various Cabinet Ministers, the members of the Control and the Legislative Yuan.

Dr. Kwangson Young Discusses Lytton Report in London

Dr. Kwangson Young, Chinese Consul-General in London, gave a lecturer entitled, "China and the Modern World" at the Friends' Meeting House in London, October 11. Being asked what would happen if the League of Nations failed to get Japan to accept the Lytton Report, Dr. Young replied that there would probably be a deepening of ill-feeling against Japan and an intensification of the boycott, not only commercially but also socially. The situation would then grow worse and there might be clashes between the two Powers.

Senator Borah Pleads for Silver

Senator William E. Borah in a speech at Ethl, Idaho, October 14 pleaded for the re-monetization of silver so that the millions of people in the Orient may again use silver money as they used it for three-thousand years. In his address Senator Borah said depreciated silver has caused many of the World's economic ills and the return of its use as money must precede a complete recovery.

62-388

Dr. Hou-ki Hu Is Killed in Auto Accident on Hangchow Highway

Dr. Hou-ki Hu, Commissioner of Public Health for the City Government of Greater Shanghai, was fatally injured in a motor accident which occurred on the newly-opened Hangchow highway late in the afternoon of October 15. The accident occurred only a short distance this side of Hangchow, and about 10 minutes after Dr. Hu had taken command of the wheel from the chauffeur, who had driven the car from Shanghai. It seems the doctor on taking charge of the car, increased the speed, plunged off the road, and completely wrecked the car. The doctor's injuries were of such a severe character that he died shortly after he had been removed to hospital at Hangchow.

The late Dr. Hou-ki Hu

The late Dr. Hu was 38 years of age at the time of his death.

He was born at Wushih in 1894. He received his early training in the Wusih public schools and at Nanyang College. Upon graduation from the latter institution, Dr. Hu studied at the National Medical College, Peking, from which he received the degree of Doctor of Medicine in 1916. The following year, Dr. Hu went to France where he served during the war from 1917 to 1919. Upon his return to China, Dr. Hu was appointed associate in bacteriology at the National Medical College and also served as physician to the Government Isolation Hospital in Peking from 1919 to 1922. Receiving a fellowship from the Rockefeller Foundation in 1922, Dr. Hu went to the United States, where he studied at John Hopkins University, from which he received the degree of Doctor of Public Health in 1924. Dr. Hu then spent eight months obtaining practical experience in superintending the health of both large and small communities with the State Department of Public Health in Tennessee. He also spent some time studying city public health methods in New York, Boston, Cleveland, Detriot, Memphis, Knoxville and St. Louis, followed by investigation of state health work in Maryland, New York, and Massachusetts. While in America, Dr. Hu was elected a charter member of Delta Omega Fraternity, an honorary medical fraternity, of Johns Hopkins. Returning to China, he was made chief medical officer of the Putsi Hospital, Tsingtao, and from 1925 to 1926 he was chief of the general sanitation and vital statistics of the public health demonstration station in the Peking Metropolitan Police Department. In the autumn of 1926, Dr. Hu was transferred to Shanghai to become the deputy commissioner of health in the Department of Health of the Port of Shanghai and Woosung, and when the latter was reorganised into the Bureau of Public Health of the Greater Shanghai Municipality in 1927, he was appointed Commissioner, which position he held at the time of his death.

Funeral services were held in Shanghai October 19. The body is being removed to Wusih for interment.

Dr. Li Ding-an, a professor at the Peiping Union Medical College, has been appointed commissioner of the Bureau of Public Health of the City Government of Greater Shanghai to succeed Dr. Hu.

Dr. Paul Au Killed in Highway Accident in U.S.A.

Dr. Paul Au, Chinese physician and lecturer died at Fort Collins, Colorado, October 18, from injuries received in an automobile accident between that city and Laramie, Wyoming. The automobile overturned on a curve. Miss Starr Hagle who was with Dr. Au was critically injured.

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Japan Will Blame China, at Geneva, for Starting War

One of the important points Japan will press at the forthcoming League Assembly will be that a boycott constitutes an act of war, and therefore, as the Chinese started their boycott on Japan in July, 1931, two months before the Manchurian incident, they must bear the responsibility for having caused the hostilities.

Of the various experts the one who has come in for the severest criticism is Dr. Walter Young. A Japanese Foreign Office spokesman in a recent statement charged him with having been in the pay of the Chinese Government.

Japan's "Observations" on Lytton Report

Recent telegrams from Japan give an inkling of the Japanese observations on the Lytton Report. Mr. Matsuoka was scheduled to leave Tokyo October 22 to proceed to Geneva where he will present the observations. The following are stated to be the points on which Japan lays emphasis in the "observations."

1. The nature of the Chinese nation, which after all is the imminent cause of the Manchuria Incident, will be explained in its true perspective.

2. The real facts underlying the rise of the Manchukuo state.

3. That the military action of the Japanese Army was just and fair and the only action possible under the circumstances.

The assumption that the military actions by the Japanese Army have been taken simply and purely in consequence of the railway bombing on September 18, 1931, and that the Japanese troops were beyond the limits of self-defence, has been formulated by the Lytton Commissions in the opinion of the Japanese Government through ignoring of historical facts leading to the incident referred to above. It shows complete lack of adequate appreciation of the facts.

The Japanese Government's observation is expected to deal with the fact that the internal political conditions in China show a complete absence of order and control, which points to the fact that China is not an organized State after all. It will point out that boycott of Japanese merchandise and other anti-Japanese movements in China are due to lack of control, and the Chinese Government must be responsible for them.

The observation will further point out that the Lytton Report in refusing to acknowledge the existence of the new State of Manchukuo simply reveals that the Commission failed to see the facts. The Report ignores the fact that there have been many independence movements in Manchuria in the past.

The Japanese Government will refute the statement in the Lytton Report supporting an argument in favor of a system of joint control of Manchuria and emphasize the impossibility of joint control. It will point out that the solution of the problem depends on the completion of the readjustment of the internal political affairs of China in which the Powers should co-operate.

Bronson Rea Explains

George Bronson Rea, chief Japanese and Manchukuo propagandist, on his arrival in Geneva recently as an observer at the League of Nations' discussion of the Lytton Report, gave explanations to representatives of the press on the situation in Manchuria. He declared that the 30,000,000 Chinese living in Manchuria demanded independence and the establishment of an orderly State of Manchuria. This, Mr. Rea emphasized, was all the more desirable since Manchuria was threatened on all sides by the Red Peril.

Chinese in America Expresses View on Lytton Report

In a speech at Washington, October 15, Yung Li-liang declared that the Lytton report in its presentation of facts and its recommendations, had won the approval of world opinion. "The only dissenting voice," said Mr. Yuen, "seems to come from a party which thinks it has been wronged. The report leaves no doubt, that Japan resorted to war within the meaning of the League of Nations covenant. Japan challenged the power of the Nine-Power treaty by violating the territorial integrity of China."

Cheng Shih School Celebrates First Anniverary

The Cheng Shih Middle School in Route Say Zoong, founded by Tu Yueh-sen, well-known Shanghai banker and public welfare worker, held a celebration of its first anniversary last Sunday, Oct. 16, featured by an elaborate ceremony. The event was attended by a large number of notables in Shanghai, including Mayor Wu Te-chen of Greater Shanghai Municipality; Gen. Hwang Shao-hsiung, Minister of Interior; Hsu Shih-ying, former Premier of Peking Government; Wu Hsin-ya, Commissioner of Social Affairs of Shanghai; Chang Shi-chao, noted scholar and former Minister of Education of the Peking Government; Messrs. O. S. Liu, Moh Hsiang Yueh, L. T. Yuan and many others.

Presiding at the ceremony as chairman of the board of directors, Mr. Tu emphasized the importance of education for service in society and deplored that his lack of education in younger days has proved very disadvantageous to him. He announced that he had decided to expand the School and recently purchased 50 mow of land at Kaochiao, Pootung, as a new site of the school. In view of the importance of technical education in China, Mr. Tu said that special emphasis will be laid on the engineering and professional courses in order to train practical and useful men for service in the country. He expressed the hope that the School will be expanded into a college in time to come.

Among the speakers at the anniversary were Mayor Wu Te-chen, who expressed his appreciation of Mr. Tu's enthusiasm in promoting education and advised the students to abandon the road of politics as their future advancement but train themselves for national reconstruction; Hsu Shi-ying, who stressed the importance of a solid foundation of education which the name of the institution connotes; Huang Yen-pei, well-known educator; and several others.

The school is under the presidency of Chen Chun, noted Kuomintang worker and former Director of Political Affairs Department of the Nationalist Revelutionary Army at Shanghai. It now enrolls about two hundred students and shows indications of becoming a very promising institution.

New Manchukuo Budget Estimates

The new budget estimates of Manchukuo to cover the first fiscal year from July 1932 to June 1933 which were submitted for approval to the Cabinet Council at Changchun October 12 are itemized as follows:

Ordinary Expenditures:—Chief Executive Office, $1,150,000; General Administration Office, $37,664,697; Khingan Province, $1,012,030; Home Affairs, $4,168,175; Foreign Affairs, $66,892; War Affairs $30,000,000; Finance Office, $24,458,243; Industries, $434,589; Communications, $1,547,825; Justice, $3,108,126; Education, $271,511. Total,—$104,480,088.

Extraordinary Expenditures:—General Administration, $5,033,517; Finance, $662,400; Education, $3,000,000; Home Affairs $26,200; Communications, $13,850. Total,—$8,825,967.

Ordinary Revenues:—Taxes, $85,378,000: Government Business Income, $9,631,000; Sundry Income; $2,370,000. Total,—$97,398,000.

Extraordinary Revenues:—Revenues from Government property sale, $155,000; Sundry income, $1,372,000; C. E. Railway profits, $2,106,000; Loans, $12,291,055. Total,—$15,922,055.

Mongolians Split on Allegiance to Soviet or Manchukuo

Recent advices from Mongolia bring the news that the Morgolians have split on the subject of whether Mongolia shall lean toward Soviet Russia or Manchukuo. The Barga Mongols from inner Mongolia have sworn allegiance to Manchukuo and Henry Pu Yi. But the Halka Mongols from Outer Mongolia have distinct leanings towards Soviet Russia. They are Communists in principle and Soviet Russia dominates and controls the domestic and foreign policies of the government of Outer Mongolia. Certain representatives of the Halka faction recently arrived in Hailar and are stated to be negotiating with members of the Kuomintang for a coordinated movement against the present political status of Manchuria. Reports state that anti-Manchukuo and anti-Japanese placards are exhibited on all westward Chinese Eastern Railway stations which are occupied by Chinese Volunteers.

Shanghai-Hangchow Highway Opened to Traffic

The Shanghai-Hangchow Highway was formally opened to traffic on Oct. 10, the commemoration day of the founding of the Republic, following a brief ceremony at Minghong held under the chairmanship of Chin Fun of the National Economic Council, which was chiefly responsible for the financing of the project. The Highway has a total length of 216 kilometers, of which 76 kilometers are in Kiangsu province, while the remaining 140 kilometers are in Chekiang province. The entire road is divided into six sections with a ferry service at Minghong connecting the two banks of the Whangpoo River. The first section running from Shanghai to Minghong, measuring 29 kilometers, has been in operation for several years. It was built of broken bricks and cinders by the Shanghai-Minghong-Chalin Motor Bus Company. The Minghong ferry was entirely financed by the National Economic Council. It now consists of a jetty, a landing bridge and a pontoon on each bank of the Whangpoo, designed by the Greater Shanghai Bureau of Public Utilities. The work was started last July and completed at the beginning of October. The second section linking Minghong with Nanchiao covers a distance of 10 kilometers. It was built of broken stone with a cinder road surface and was recently improved. The third section from Nanchiao to Chalin, 11 kilometers long, runs on a new embankment through a low and flat country. This section is rather crooked and is full of bridges. Broken bricks were used for the foundation of the roadbed, upon which cinders and crushed shells are used as paving materials. The Chalin-Kingszenianchiao section covering a distance of 26 kilometers mostly runs on the top of a grand sea dyke. At Kingszenianchiao, the road enters Chekiang province. From Kingszenianchiao, the Road runs to Chapu, which constitutes the 5th section, having a length of 21 kilometers, of which 12 kilometers were built of earthwork with cinder and sand surfacing. The sixth and last section is the longest of the entire road, covering a length of 118 kilometers which connects Chapu with Hangchow. Of this section, the portion between Hangchow and Haining had first been built as a commercial enterprise, but was recently taken over by the Chekiang Highway Administration. There are several sharp curves in this portion and workmen are now engaged in removing them.

The Road passes through a very fertile and picturesque country fringing the sea coast of Hangchow Bay and the Chien Tang River and at some places paralleling the Shanghai-Hangchow-Ningpo Railway line. The cities traversed by the road include Chapu, which the late Dr. Sun Yat-sen selected as the seat of a future great Eastern Port; Haiyen, the salt-producing district, Haining, and finally Hangchow whose scenic beauties are too well-known to need elaboration.

The new Highway will greatly facilitate travel between Shanghai and Hangchow and marks an important milestone in the progress of road construction in China.

Fall Term in Chiao-Tung University

After the re-opening on September 30, the fall semester of Chiao-Tung University is now in full swing. According to President J. Ueang Ly, the enrollment this year shows a large total of 1,200 students of whom 232 are registered at the Tangshan College, 175 at the Peiping College, and the rest at the Nanyang College here in Shanghai. The curriculum this year has been greatly modified and enlarged so as to meet the present needs of the country. Many new courses are offered, especially in the College of Science and Administration.

The staff of the University has been greatly strengthened. Among the new members of the faculty are such names as: Dr. C. H. Shin, Dr. Erwin Reifler, Mrs. S. T. Li, Messrs. Y. S. Chun, Edward Y. K. Kwong, C. Koo, C. S. Hsu, L. K. Tien, K. C. Ho, Y. M. Hsu, Y. S. Chang and D. C. Na.

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Latest New York Stock Exchange Quotations

Market—Steady Business Done 1,000,000 Shares

Oct. 19, 1932

1931-2 High	1931-2 Low	Div.$ per Sh.	STOCKS	Mon. Oct 17	Tues. Oct. 18
9⅜	1⅝	—	Adams Express	5¾	6
87½	42½	*6.00	Allied Chemical & Dye	71⅜	73¼
14½	4	—	Allis Chalmers	8½	8¾
73⅞	29⅝	*4.00	American Can	49⅝	51½
14½	2	—	American & Foreign Power	7½	8
9⅝	1⅛	—	American & Foreign Power Warr.	5½	5½
26½	5¼	—	American Smelting	14	14¾
137⅜	70¼	9.00	American Telephone & Telegraph	103	105⅝
86¾	44	*5.00	American Tobacco "B"	70⅜	67½
34⅛	11	2.00	American Waterworks	20	22⅝
18¾	3	—	Anaconda Copper	9⅞	10¼
151¾	28¾	*4.00	Auburn Automobiles	41	43½
21⅜	3¾	—	Baltimore & Ohio	12	12¾
29	7¼	—	Bethlehem Steel	17	17⅞
43⅛	20	*2.00	Borden Company	27⅝	27⅝
13½	3⅜	—	Borg Warner	9⅛	9½
20⅝	7¼	—	Canadian Pacific Railway	13⅞	14⅜
68¾	16¾	—	Case, J. I.	40	42¼
47⅞	19	2.00	Chase Bank	35½	37⅛
20⅝	4⅞	2.00	Chesapeake Corp.	13	13⅝
21	5	1.00	Chrysler	13⅞	14⅝
6⅞	1¼	—	Cities Service Company	3½	3⅝
20⅞	4¼	1.00	Columbia Gas & Electric	13⅝	13⅝
5	1⅝	.30	Commonwealth & Southern	3	3
15/16	1/16	—	" Warr.	½	9/16
68¾	31½	4.00	Consolidated Gas of N. Y.	54⅞	56½
9½	3⅝	—	Continental Oil	6	6
54½	24¾	*3.00	Corn Products	50¼	50½
6½	1½	—	Coty Inc.	3¾	4
3	⅞	—	Curtiss Wright Company	2¼	2¼
57	23	4.00	Drug Incorporated	32¼	33⅝
59¾	22½	2.00	Du Pont de Nemours	35⅝	36⅝
87⅞	36¼	3.00	Eastman Kodak	52⅛	53¼
45¼	5	6%S	Electric Bond & Share	24¼	26⅛
15½	2¾	—	Electric Power & Light	8¼	8⅞
5⅝	1	—	Fox Film "A"	2⅞	3
26⅛	8½	.40	General Electric	16	16
40½	19⅝	2.00	General Foods	28¾	30
24⅝	7⅝	1.00	General Motors	13½	14⅝
28⅝	6⅛	1.00	General Railway Signal	Unq.	Unq.
24¼	10⅜	1.00	Gillette Safety Razor	16⅛	16⅛
19⅞	8¼	1.60	Gold Dust	Unq.	16⅜
11⅝	2¼	—	Goodrich Rubber	6	5½
28⅝	5½	—	Goodyear Tire & Rubber	15	15
18¾	3⅝	—	International Cement	Unq.	10½
1⅞	½	—	International Com Engine.	Unq.	⅝
32¾	10⅞	1.20	International Harvester	21½	22¾
12¼	3½	—	International Nickel	8	8⅜
15½	2⅝	—	International Telephone & Telegraph	9¼	9⅛
32⅝	10	—	Johns Manville	21½	23
19	4⅞	—	Kennecott	10⅝	11¼
9⅛	1/32	—	Kreuger & Toll	⅛	⅛
68⅞	32½	*4.00	Liggett & Myers, "B"	62¼	59¾
36⅞	13¼	*3.00	Loew's: Inc.	26¼	26¼
17½	9	1.20	Lorillard P. Co. (Com.)	13⅝	13
11⅜	1½	—	Lu lum Steel	Unq.	6¾
16¼	3½	—	Montgomery Ward	12	12⅝
64½	23¾	2.00	National City Bank (bid price)	44¾	47
9⅞	2½	—	Nevada Copper	Unq.	Unq.
36⅝	8¾	—	New York Central	21⅝	Unq.
42¾	13¾	10%	North American Company	28	29¾
37	16⅞	2.00	Pacific Gas & Electric	27⅞	28⅛
5¼	1½	—	Packard Motors	3⅛	3
11½	1½	—	Paramount—Publix	3⅞	4⅛
23⅜	6½	—	Pennsylvania Railroad	14½	14⅝
4¼	1	—	Pennroad Corporation	2¼	2¼
8	2	—	Phillips Petroleum	5⅞	5¾
60	28	3.20	Public Service of N. Jersey	46⅝	47¼
12½	2½	—	Radio Corporation	7	7⅜
7⅛	1½	—	Radio-Keith Orpheum	3¾	3⅝
47⅝	26½	3.00	Reynolds Tobacco "B"	30⅞	30
37⅜	9⅞	—	Sears Roebuck	19	19⅞
8¾	2½	—	Shell Union	6	6⅛
18	3	—	Simmons Company	3½	3¾
12⅛	5¼	.80	Socony-Vacuum Corp.	9⅝	9⅝
32¾	15¾	2.00	Southern California Edison	16⅛	26¾
34¼	7⅝	2.00	Standard Gas & Electric	17¾	17⅝
37¼	19⅝	*1.00	Standard Oil of N. Jersey	29¾	29½
17¾	9¼	1.00	Texas Corporation	13	13¼
26¾	12	2.00	Texas Gulf Sulphur	20¾	20¼
7	2⅛	—	Trans America	5	5
36⅞	15½	1.20	Union Carbide & Carbon	25	25¼
94½	27⅝	6.00	Union Pacific Railway	63	65⅜
33½	6½	—	United Aircraft & Trans.	23½	25½
18⅜	3½	.40	United Corporation	8⅝	9
21⅞	9¼	1.20	United Gas Improvement	18	17¾
9¾	1¼	—	U. S. Rubber	5⅜	5⅜
52⅝	21¼	—	U. S. Steel	36½	37⅝
23¼	5¼	—	Vanadium	12⅞	13⅛
4½	½	—	Warner Bros. Pictures	2⅜	2¼
43½	15⅞	—	Westinghouse E. & M.	27½	27⅝
45⅝	22	2.40	Woolworth	36⅞	37⅞

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CUSTOMS NOTIFICATION

No. 1247

With reference to Customs Notification of the 18th August, 1932, (Regulations Governing the issue of Consular Invoices), the public is hereby notified that:—

1. In determining whether or not merchandise must be covered by Consular Invoice, $200.00 Chinese currency will be considered as the equivalent of G.U. 110.00. The basis of valuation for Consular Invoice purposes will be the f.o.b. value of the goods concerned.

   An exception to this rule will be made in the case of merchandise shipped from Japan, Korea, Formosa, and other Japanese territories, for which $200.00 Chinese currency—not G.U. 110.00—will be taken as the basis for conversion.
2. Articles carried by passengers in their baggage, provided that they are not for sale, need not be covered by Consular Invoice even if valued at or above $200.00 Chinese currency.
3. A shipment of cargo from one port of shipment abroad to one destination and one consignee in China, even if divided up and partially transhipped to other ports on arrival in China, need only be covered by one Consular invoice.
4. Foreign goods entering other Chinese ports *via* Dairen must be covered by Consular invoices. In the case of products of the Kwantung Leased Territory shipped to other ports in China, consignees may apply to the Customs at destination for issue of Consular invoice on payment of fee of G.U. 5.00 but without payment of fine.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th October, 1932.

The National City Co. Gold Bond Quotations Received From Head Office

Oct. 14 1932.

SECURITY	RATE &	DATE DUE	Price	Approx Yield%
The National City Bank of New York		Stock	433	—
Argentine Government	6 %	May 1, 1960	57	10.99
U. S. of Brazil	6½%	Oct. 15, 1957	18	—
Republic of Finland	6½%	Sep. 1, 1956	69½	9.83
German Central Bank for Agriculture	6 %	Oct. 15, 1960	52½	—
Kingdom of Italy	7 %	Dec. 1, 1951	96⅝	7.30
State of Minas Geraes Serica "A"	6½%	Sep. 1, 1959	11½	—
State of Sao Paulo (Brazil)	7 %	Oct. 1, 1940	58	—
American I. G. Chemical Corporation	5½%	May 1, 1949	77½	7.98
Rhine Westphalia Electric Power Corp.	6 %	Apr. 1, 1955	51	12.59

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 %	1925	70	—
Chinese Govt. Re-org. (£) Loan Stamped	5 %	1913/60	71	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 %	1913/60	69	—
Chinese Government (Crisp Loan)	5 %	1612	45⅝	—
Shanghai-Nanking Railway	5 %	1904/08	40	—
Shanghai-Hangchow-Ningpo Railway	5 %	1908/58	77	—
Hukuang Railway	5 %	1911/1951	24	—
Tientsin-Pukow Railway	5 %	1908/09	25	—

NOTE: The above quotations are received by cable, and whilst believed to be correct, are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai Oct. 19, 1932.

Demand selling rate on America:	U.S. $1.00=Sh. $4.7086
Demand buying rate on America:	U.S. $1.00=Sh. $4.6149
Demand selling rate on London:	£1.0.0=Sh. $16.067
Demand buying rate on London:	£1.0.0=Sh. $15.699

CUSTOMS NOTIFICATION NO. 1246

Drawback Cheques dated before 1st January, 1930 to be invalidated after 31st January, 1933.

Acting under instructions from the Inspector General of Customs, I hereby notify the public that all unclaimed cheques dated between 1st January and 31st December, 1929 will be destroyed unless claimed before 1st February, 1933. Similarly, Drawback Cheques dated between 1st January and 31st December, 1929, which have been issued but not cashed, will be invalid after 31st January, 1933.

L. H. Lawford,
Commissioner of Customs.

Custom House,
Shanghai, 15th October, 1932.

CUSTOMS NOTIFICATION

No. 1248

The attention of those interested in the importation of precious stones into China is drawn to a new set of rules governing such importations on consignment for possible sale in China, which are posted on the notice board of the Appraising Department in the Custom house.

L. H. Lawford,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th October, 1932.

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TRANSPORTATION
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